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No. 11850

2516

**United States**  
**Circuit Court of Appeals**  
**For the Ninth Circuit.**

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TIGHE E. WOODS, Housing Expediter, Office of  
the Housing Expediter,

Appellant,

vs.

CATHERINE HAYES,

Appellee.

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**Transcript of Record**

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**Upon Appeal from the District Court of the United States**  
**for the Southern District of California,**  
**Central Division**

FILED

APR 13 1948

PAUL R. O'BRIEN,  
CLERK





**No. 11850**

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**United States**  
**Circuit Court of Appeals**  
**For the Ninth Circuit.**

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**TIGHE E. WOODS, Housing Expediter, Office of  
the Housing Expediter,**

**Appellant,**

**vs.**

**CATHERINE HAYES,**

**Appellee.**

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**Transcript of Record**

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**Upon Appeal from the District Court of the United States  
for the Southern District of California,  
Central Division**

---

1850

James M. Smith

To the Honorable Senate of the United States

Presented

at

Washington

April

James M. Smith

Report of the Committee on the State of the Union



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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

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## NAMES AND ADDRESSES OF ATTORNEYS

### For Appellant:

ABE I. LEVY,  
STEPHEN D. MONAHAN,  
FRANK L. HIRST,  
RICHARD G. SOLOF,  
BENJAMIN CHAPMAN,  
1206 Santee St.,  
Los Angeles 15, Calif.

### For Appellee:

H. LEONARD RICHARDSON,  
4066 S. Central Ave.,  
Los Angeles 11, Calif. [1\*]

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\* Page numbering appearing at foot of page of original certified Transcript of Record.

In the District Court of the United States for  
the Southern District of California, Central  
Division

No. 7015-M

FRANK R. CREEDON, Housing Expediter, Office  
of the Housing Expediter,

Plaintiff,

vs.

CATHERINE HAYES, DOE I and DOE II,  
Defendants.

## COMPLAINT FOR TREBLE DAMAGES AND INJUNCTION

For a First Cause of Action

### I.

Plaintiff, as Housing Expediter, Office of the Housing Expediter, brings this action for injunction pursuant to Section 205 (a) to enforce compliance with Section 4 and for treble damages on behalf of the United States of America pursuant to Section 205 (e) of the Emergency Price Control Act of 1942, as amended, USCA Title 50, App. Sec. 901 et seq., hereinafter referred to as "The Act," and the Rent Regulations (10 Fed. Reg. 13528) issued by the Administrator pursuant to Section 2 of the Act.

### II.

Jurisdiction of this action is conferred upon this Court by Sections 205 (c) and 205 (e) of the Act.

III.

At all times mentioned herein, there has been and now is in effect a Rent Regulation for Housing issued pursuant to Section 2(b) of the Act for the Los Angeles Defense Rental Area.

IV.

That the defendants, Doe I and Doe II, are the fictitious names of the defendants, whose true names are to this plaintiff unknown, and plaintiff asks that when these true names are discovered this complaint may be amended by inserting such true names in the place and stead of such fictitious names. Wherever the word "defendant" is used in this complaint, it shall include all of the defendants individually and collectively herein sued.

V.

That the defendant is a resident of the City of Los Angeles, County of Los Angeles, State of California, in the Southern District of California, in the Central Division thereof, and within the jurisdiction of this Court.

VI.

During all times herein mentioned defendant has received rent for the use and occupancy of those certain housing accommodations, subject to said Housing Regulation within said Defense Rental Area, known and described as Center Bedroom, 896 East 52nd Pl., Los Angeles 11, California.



## VII.

That on and since June 7, 1945, exclusive of the period July 1 to July 25, 1946, inclusive, the defendant has received for the use and occupancy of the housing accommodations hereinbefore described, rents in excess of the maximum rents permitted under the said Rent Regulations and Orders of the Rent Director; that the number and names of tenants and the amount of overcharges are facts peculiarly within the knowledge of said defendant; that plaintiff is unable at this time, to allege with certainty the [3] amount of rents charged in excess of said maximum rent but that plaintiff upon ascertaining the amount or amounts thereof, and the names of said tenants, will ask leave to amend this complaint and set forth the amount or amounts of said overcharges and the tenants from whom said overcharges were received.

## VIII.

That every tenant overcharged as above alleged has failed to institute an action pursuant to Section 205(e) of said Act, and more than thirty days have elapsed since the occurrence of the violations.

## For a Second Cause of Action

## I.

Plaintiff re-alleges and incorporates herein Paragraphs III, IV, V, VI and VII of his first cause of action, as though set out in full herein.

## II.

In the judgment of the Housing Expediter, Office of the Housing Expediter, said defendants have engaged in actions and practices in violation of Section 4(a) of the Emergency Price Control Act of 1942, as amended, USCA Title 50, App. Sec. 901 et seq., hereinafter called "The Act," which actions and practices consist of violations of Rent Regulations for Housing (10 Fed. Reg. 13528), issued in accordance with Section 2(b) of "The Act," and therefore, the Housing Expediter brings this action pursuant to the provisions of Section 4(a). Jurisdiction of this action is conferred by Section 205(c) of said Act.

Wherefore, the plaintiff demands:

A. Judgment for the plaintiff to recover of the defendant treble the total amounts received by the defendant from persons as rent for the use and occupancy of the housing accommodations described in the complaint, which were in excess of the maximum rents established by the Act and regulations issued thereunder, and further that;

B. The defendant be ordered and directed to tender to all available tenants as are entitled thereto a refund of all amounts in excess of the maximum rents established by the Act and regulations issued thereunder [4] which were received by the defendant, his agents, employees and attorneys from said persons as rent for the use and occupancy of the housing accom-

modations described in the complaint, since the date maximum rents were established therefor by said regulation, provided that refunds made by the defendant to such persons, in compliance with the directions of the Court for rents received within one year prior to the bringing of this action, shall be deducted from the amount of the judgment prayed for in the preceding Paragraph "A."

C. A preliminary and final injunction enjoining the defendants, their agents, servants, employees, and all persons in active concert or participation with them from directly or indirectly demanding or receiving for accommodations subject to said Rent Regulations for Housing, rents in excess of the maximum rent permitted under said Regulations, as heretofore or hereafter amended or extended, or in excess of the maximum rent permitted by any other Regulation for Housing issued pursuant to the Emergency Price Control Act of 1942, as heretofore or hereafter amended or extended.

AUSTIN CLAPP,  
WADIEH S. SHIBLEY,  
ABE I. LEVY,  
STEPHEN D. MONAHAN,

By /s/ STEPHEN D. MONAHAN,  
Attorneys for Plaintiff.

[Endorsed]: Filed May 20, 1947. [5]



[Title of District Court and Cause.]

### ANSWER

Now comes Catherine Hayes, defendant above named, and answering plaintiffs complaint on file herein, denies each and all the allegations of Paragraph VII, of the first cause of action and further answering first cause of action alleges that all of the damages complained of and the rents paid for in said action prior to May 20, 1946, are barred by the Statute of Limitations as set forth in the Emergency Price Control Act of 1942 as amended Sections 901 et sequitur.

### II.

That the defendant has no information, knowledge or belief upon the subject matter set forth in Paragraph VIII of the said first cause of action, and basing her denial upon such grounds, denies each and all the allegations of Paragraph VIII. [6]

Wherefore, said defendant prays that she be hence dismissed and for her costs of suit.

Answering the second cause of action, denies each and all the allegations of paragraph I thereof as it incorporates therein paragraphs VII of the first cause of action of the plaintiff and denies each and all the allegations of paragraph II of the said second cause of action.

Wherefore, said defendant prays that she be hence dismissed and for her costs of suit.

/s/ H. L. RICHARDSON,

Attorney for Said Defendant.

State of California,  
County of Los Angeles—ss.

Catherine Hayes, being by me first duly sworn, deposes and says: That she is Defendant in the foregoing and above-entitled action; that she has read the foregoing Answer and knows the contents thereof; and that the same is true of her own knowledge, except as to the matters which are therein stated upon her information or belief, and as to those matters that she believes it to be true.

Subscribed and Sworn to before me this 2nd day of June, 1947.

/s/ CATHERINE HAYES.

[Seal]

HARRY L. RICHARDSON,

Notary Public in and for Said  
County and State.

[Affidavit of Service by Mail Attached.]

[Endorsed]: Filed June 3, 1947.

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[Title of District Court and Cause.]

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

This cause having come on for trial on the 8th day of November, 1947, in the above-entitled Court, the Honorable Paul J. McCormick, Judge Presiding; Sherman Grancell, Esq., appearing as attorney for the plaintiff, and H. Leonard Richardson, appearing as attorney for the defendant, evidence both oral and documentary having been adduced by the plaintiff and the defendant, and the cause having been submitted, the Court makes the following:

## FINDINGS OF FACT

1. That plaintiff, as Housing Expediter, Office of the Housing Expediter, brings this action for injunction pursuant to Section 205(a) to enforce compliance with Section 4 and for treble damages on behalf of the United States of America, pursuant to Section 205(e) of the Emergency Price Control Act of 1942, as amended, USCA Title 50, App. Sec. 901 et seq., hereinafter referred to as "The Act," and the Rent Regulations (10 Fed. Reg. 13528) issued by the Administrator pursuant to Section 2 of the Act. [9]

2. That jurisdiction of this action is conferred upon this Court by Section 205(c) and 205(e) of the Act.

3. That at all times mentioned herein, there has been and now is in effect a Rent Regulation for Housing, issued pursuant to Section 2(b) of the Act for the Los Angeles Defense Rental Area.

4. That the defendant is a resident of the City of Los Angeles, County of Los Angeles, State of California, in the Southern District of California, in the Central Division thereof, and within the jurisdiction of this Court.

5. That during all times herein mentioned defendant has received rent for the use and occupancy of those certain housing accommodations, subject to said Housing Regulation within said Defense Rental Area, known and described as the Center Bedroom, 896 East 52nd Place, Los Angeles 11, California.



6. That from June 7, 1945, to September 7, 1945, the defendant demanded and received from one Curtis Lee Moxley, as rent for the housing accommodations herein involved, the sum of \$15.00 per week, and that from September 7, 1945, to August 28, 1946, exclusive of the period from July 1 to July 25, 1946, inclusive, defendant demanded and received from the said Curtis Lee Moxley the sum of \$12.00 per week as rent for the housing accommodations herein involved; that an order was issued by the Area Rent Director for the Los Angeles Defense Rental Area November 51, 1946, which said order decreased the maximum rent for the said housing accommodations from \$15.00 per week to \$7.50 per week, effective from June 7, 1945; that said order further provided that any rent collected from the effective date of the order, except rent collected for a period not to exceed one month for a term beginning between July 1 and July 25, 1946, inclusive, in excess of the amount provided in the order should be refunded to the tenant within 30 days from the date the order was issued; that the defendant has failed to make a refund of any of the rent collected in excess of the maximum rent provided by said order; that the amount of rent collected by the defendant in excess of the maximum rent provided by said order is the sum of \$450.00; that the rent collected by the defendant in excess of the maximum rent from May 21, 1946, to August 28, 1946, exclusive of the period from July 1 to July 25, 1946, inclusive, is the sum of \$40.50. [10]

7. That the overcharges hereinabove set forth were wilfully made.

8. That the said Curtis Lee Moxley has failed to institute an action pursuant to Section 205(e) of said Act and more than 30 days have elapsed since the occurrence of the violations.

From these findings of fact, the Court now makes the following:

CONCLUSIONS OF LAW

1. That plaintiff's action against defendant for overcharges collected by the defendant prior to May 20, 1946, is barred by the statute of limitations specified in Section 205(e) of the Emergency Price Control Act of 1942, as amended. (USCA Title 50, App. Sec. 901 et. seq.) (Creedon, etc., vs. Stone, CCA 6, 163 F. 2, 393.)

2. That plaintiff is entitled to judgment against the defendant, requiring the defendant to refund to Curtis Lee Moxley the sum of \$40.50, and for judgment in favor of the plaintiff and against the defendant, in the sum of \$50.00.

Dated: November 18th, 1947.

/s/ PAUL J. McCORMICK,

Judge United States District  
Court.

Approved:

ABE I. LEVY,  
STEPHEN D. MONAHAN,  
FRANK L. HIRST,  
SHERMAN GRANCELL,

By /s/ SHERMAN GRANCELL,  
Attorneys for Plaintiff.

Approved: /s/ H. LEONARD RICHARDSON,  
Attorney for Defendant.

[Endorsed]: Filed Nov. 18, 1947. [11]

In the District Court of the United States for  
the Southern District of California, Central  
Division

No. 7015—M

TIGHE E. WOODS, Housing Expediter, Office  
of the Housing Expediter,

Plaintiff,

vs.

CATHERINE HAYES, DOE I and DOE II,

Defendants.

### JUDGMENT

This cause having come on for trial on the 8th day of November, 1947, in the above-entitled Court, the Honorable Paul J. McCormick, Judge Presiding; Sherman Grancell, Esq., appearing as attorney for the plaintiff, and H. Leonard Richardson, Esq., appearing as attorney for the defendant, evidence both oral and documentary having been adduced by the plaintiff and the defendant, and the cause having been submitted,

It Is Hereby Ordered Adjudged and Decreed:

That plaintiff have judgment against the defendant in the sum of \$50.00.



The defendant is further ordered to tender a refund to Curtis Lee Moxley, through the office of the plaintiff in the sum of \$40.50.

Dated at Los Angeles, California, November 18th, 1947.

/s/ PAUL J. McCORMICK,  
Judge, United States District  
Court. [12]

Approved:

ABE I. LEVY,  
STEPHEN D. MONAHAN,  
FRANK L. HIRST,  
SHERMAN GRANCELL,

By /s/ SHERMAN GRANCELL,  
Attorneys for Plaintiff.

Approved:

H. LEONARD RICHARDSON,  
Attorney for Defendant.

Judgment entered Nov. 18, 1947, and Docketed  
Nov. 18, 1947. C. O. Book 47, Page 57.

EDMUND L. SMITH,  
Clerk.

By /s/ E. M. ENSTROM, JR.,  
Deputy.

[Endorsed]: Filed Nov. 18, 1947. [13]

[Title of District Court and Cause.]

### NOTICE OF APPEAL

Notice is hereby given that Tighe E. Woods, Housing Expediter, Office of the Housing Expediter, plaintiff above named, hereby appeals to the Circuit Court of Appeals for the Ninth Circuit from the final judgment entered in this action on November 18, 1947, and docketed in Civil Order Book 47 at page 57. Said judgment is for plaintiff and against defendant Catherine Hayes in the amount of \$50.00, and in addition said judgment orders defendant Catherine Hayes to tender a refund to Curtis Lee Moxley through the office of the plaintiff in the sum of \$40.50. Plaintiff appeals from: (1) the entire judgment, and (2) from that part of the judgment which denies judgment to the plaintiff pursuant to Section 205(e) of the Emergency Price Control Act of 1942 as amended on account of overcharges of rent received more than one year prior to filing of the suit.

Dated: Los Angeles, California, this 8th day of January, 1948.

ABE I. LEVY,  
STEPHEN D. MONAHAN,  
FRANK L. HIRST,  
RICHARD G. SOLOF,  
BENJAMIN CHAPMAN,

By ABE I. LEVY,

Attorneys for Plaintiff and Appellant, Office of  
Housing Expediter, 1206 Santee Street, Los  
Angeles, California.

Filed January 8, 1948. [14]

[Title of District Court and Cause.]

## STATEMENT OF POINTS ON APPEAL

Plaintiff and appellant hereby sets forth the following statement of points on appeal:

1. The Court erred in holding that the statute of limitation provided by Section 205(e) of the Emergency Price Control Act as amended ran from the time that a tenant pays rent to a landlord rather than from the time when the landlord refuses or fails to comply with a retroactive refund order issued by the Area Rent Director, directing the landlord to return overcharges to the tenant.
2. The Court erred in refusing to give full effect to the retroactive rent order of the Area Rent Director and to accept such order in these proceedings as binding in all respects and for all purposes.
3. The Court erred in considering the validity of the order and in setting it aside contrary to Section 204(d) of the Act, which commits the question of validity of orders and regulations solely to the Emergency Court of Appeals.
4. The Court erred in concluding that plaintiff's action against defendant for overcharges collected by the defendant prior to May 20, 1946, is barred by the statute of limitations specified in Section 205(e) of the Act.

5. The Court erred in failing to grant judgment as prayed for in the complaint.

Dated: Los Angeles, California, this 8th day of January, 1948.

ABE I. LEVY,  
STEPHEN D. MONAHAN,  
FRANK L. HIRST,  
RICHARD G. SOLOF,  
BENJAMIN CHAPMAN,

By ABE I. LEVY,  
Attorneys for Plaintiff and Appellant, Office of the  
Housing Expediter, 1206 Santee Street, Los  
Angeles, California.

[Affidavit of service by mail attached.]

[Endorsed]: Filed January 8, 1948. [16]

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[Title of District Court and Cause.]

DESIGNATION OF RECORD ON APPEAL  
AND PRAECIPE

To the Clerk of the Above Court:

You are hereby requested to make a transcript of the entire record to be filed in the United States Circuit Court of Appeals for the Ninth Circuit pursuant to an appeal in the above entitled cause, and to include in such transcript of record the entire record including among other matters the following:

1. The reporter's transcript of the evidence.
2. The complaint.
3. The answer.



4. The findings of fact, conclusions of law and direction to enter judgment.
5. The judgment.
6. All exhibits introduced at the trial. [18]
7. This praecipe and service thereon.

Dated: Los Angeles, California, this 20th day of January, 1948.

ABE I. LEVY,  
STEPHEN D. MONAHAN,  
FRANK L. HIRST,  
RICHARD G. SOLOF,  
BENJAMIN CHAPMAN,

By ABE I. LEVY,

Attorneys for Plaintiff and Appellant, Office of the  
Housing Expediter, 1206 Santee Street, Los  
Angeles, California.

[Affidavit of service by mail attached.]

[Endorsed]: Filed January 20, 1948. [19]

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[Title of District Court and Cause.]

### ORDER RE EXHIBITS

(Under Federal Rules of Civil Procedure,  
Rule 75 (i).)

On motion of Benjamin Chapman, Esq., one of the attorneys for the plaintiff-appellant, it is ordered that in addition to the transcript of record on appeal in this action the Clerk of this Court transmit to the Clerk of the Circuit Court of Appeals for the Ninth Circuit Court the following original papers in this action to be by him safely kept and returned to this Court upon the final

determination of this action in said Circuit Court of Appeals for the Ninth Circuit: Plaintiff's Exhibit No. 1, a registration of rental dwellings and Plaintiff's Exhibit No. 2, receipts signed by Ira Jones.

Dated: Los Angeles, California, this 23rd day of January, 1948.

PAUL J. McCORMICK,  
District Judge.

[Endorsed]: Filed January 23, 1948. [21]

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[Title of District Court and Cause.]

### CERTIFICATE OF CLERK

I, Edmund L. Smith, Clerk of the District Court of the United States for the Southern District of California, do hereby certify that the foregoing pages numbered from 1 to 21, inclusive, contain full, true and correct copies of Complaint for Treble Damages and Injunction; Answer; Findings of Fact and Conclusions of Law; Judgment; Notice of Appeal; Statement of Points on Appeal; Designation of Record on Appeal and Order re Exhibits which, together with copy of reporter's transcript of proceedings on November 8, 1947, and Original Plaintiff's Exhibits 1 and 2, transmitted herewith, constitute the record on appeal to the United States Circuit Court of Appeals for the Ninth Circuit.

Witness my hand and the seal of said District Court this 3rd day of February, A. D. 1948.

[Seal] EDMUND L. SMITH,  
Clerk,

By /s/ THEODORE HOCKE,  
Chief Deputy.

In the District Court of the United States for the  
Southern District of California, Central  
Division

No. 7015-M-Civil

TIGHE E. WOODS, Housing Expediter, Office of  
the Housing Expediter,

Plaintiff,

vs.

CATHERINE HAYES, Doe I and Doe II,

Defendants.

Honorable Paul J. McCormick, Judge Presiding.

REPORTER'S TRANSCRIPT OF  
PROCEEDINGS

Los Angeles, California

Saturday, November 8, 1947

Appearances:

For the Plaintiff: Sherman Grancell, Esq., Office  
of Housing Expediter, 1206 Santee Street, Los  
Angeles, California.

For the Defendant: H. Leonard Richardson, Esq.,  
4066 South Central Avenue, Los Angeles, Cali-  
fornia. [1\*]

The Clerk: No. 7015-M-Civil, Frank R. Creedon  
v. Catherine Hayes, for trial.

Mr. Grancell: Ready for the plaintiff.

Mr. Richardson: Ready for the defendant, your  
Honor. We have certain stipulations to expedite  
the trial in the matter, which we desire to make.

The Court: Very well. Proceed.

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\* Page numbering appearing at top of page of Reporter's certified  
Transcript of Record.

Mr. Grancell: Your Honor please, first the plaintiff would like to move for the substitution of Tighe E. Woods as plaintiff in this action in the place of Frank R. Creedon. Mr. Woods was appointed Acting Expediter by the President of the United States by an Executive Order published in 12 Federal Register 7265 on November 6, 1947.

The Court: No objection?

Mr. Richardson: No objection, your Honor.

The Court: So ordered.

Mr. Grancell: Now, if your Honor please, certain stipulations have been entered into or will be entered into by the plaintiff and the defendant to expedite the trial of this action.

In the first place, it is stipulated that the housing accommodations involved, consisting of a center bedroom located at 896 East 52nd Place, of which the defendant, [2] Catherine Hayes, was the landlady during the period of time involved, was registered as having a maximum legal rent of \$15 per week from and after June 7, 1945, and that an order was issued by the Area Rent Director, B. C. Koepke, on November 15, 1946, decreasing the maximum rent of said housing accommodations from \$15 per week to \$7.50 per week effective from June 7, 1945. The order further provided that any rent collected from the effective date of this order, separate rent collected, for a period not to exceed one month for the term between July 1 and July 25, 1946, inclusive, in excess of the amount provided in this order should be refunded to the tenant within 30 days from the date the order was issued. That was November 15, 1946.



It is further stipulated that the defendant demanded and received from Curtis Lee Moxley, a tenant, as rent for the housing accommodations here involved from June 7, 1945, to September 7, 1945, the sum of \$15 per week.

The Court: What were those dates?

Mr. Grancell: June 7, 1945, to September 7, 1945, the sum of \$15 per week, constituting a single overcharge above the maximum rent, as fixed by this order, of \$97.50; and, further, that the defendant demanded and received from the same tenant for the period from September 7, 1945, to August 28, 1946, the sum of \$12 per week, and that is excluding the month of July, 1946, the hiatus period, and that the rental [3] overcharge for that period by these figures is the sum of \$352.50, constituting a total single overcharge in the amount of \$450.

It is further stipulated that no moneys have been refunded by the landlady, the defendant, to the said tenant, Curtis Lee Moxley.

It is further stipulated that no separate action has been filed by the tenant, Curtis Lee Moxley, against the defendant herein.

Mr. Richardson: That is correct, your Honor please; so stipulated on behalf of the defendant.

The Court: So understood.

Mr. Grancell: The plaintiff rests.

Mr. Richardson: If your Honor please, I desire to call your attention to the answer that has been filed on behalf of the defendant, in which we plead the statute of limitations as to certain of these rents that were collected in excess of the maximum allowed by the rules and regulations of the Office

of Price Administration, and contend that all of the excess collections prior to May 20, 1947, or, prior to a year prior to May 20, 1947, are barred by the Act itself, which precludes the collection of any penalties or overcharges which have been incurred or which have been collected more than one year prior to the institution of the legal action for the collection of the same. [4]

I would like to put my client on the stand to explain her side of the case.

The Court: Very well.

### CATHERINE HAYES JONES

the defendant herein, called as a witness in her own behalf, having been first duly sworn, testified as follows:

The Clerk: Be seated, please, and state your name.

The Witness: Catherine Hayes Jones.

### Direct Examination

By Mr. Richardson:

Q. Your name is Catherine Hayes Jones?

A. Yes.

Q. You are the defendant in this action?

A. Sure.

Q. Are you the owner of the property?

The Court: Pardon me a moment, please. The true name of the defendant should be changed, then, in the pleadings. The pleadings recite that the name of the defendant is Catherine Hayes.

(Testimony of Catherine Hayes Jones.)

The Witness: They call me that sometimes. Catherine Hayes Jones.

Q. (By Mr. Richardson): Which is your correct name?

A. Catherine Hayes Jones, being the name I signed. I signed one way sometimes——

The Court: Do you have the title to the property [5] vested in your name?

The Witness: In the same name, I think, Catherine Hayes Jones.

Mr. Richardson: Please let me ask you some questions there.

The Witness: The same name that is on there (indicating).

The Court: What is the name in which the title vests?

The Witness: Catherine Hayes Jones.

The Court: You have given two names, Catherine Hayes, and you have given us the name, Catherine Hayes Jones.

The Witness: There are two names, Catherine Hayes Jones.

The Court: Do you own this property?

The Witness: Buying it.

The Court: Is it your separate property, in your name alone?

The Witness: No, in my son's and mine, Ira Jones.

(Testimony of Catherine Hayes Jones.)

The Court: She says the property is owned jointly by herself and her son, by Ira Jones and herself.

Mr. Grancell: That is correct, your Honor. Her correct name, however, is Catherine Hayes. Her husband died and she assumed the name of a former spouse of the name of Jones.

The Court: So the title is in the name of Catherine Hayes?

Mr. Grancell: Catherine Hayes, yes, your Honor.

The Court: Very well. Then we need not change the name of the defendant.

Q. (By Mr. Richardson): Now, Mrs. Jones or Hayes, as the case may be, you rented this property to Mr. Moxley, did you? A. I did.

Q. When did you rent it to him? On June 7, 1945? A. Yes, that's right.

Q. And what rent did you charge him, or what agreement did you have with him with regard to rent?

A. Well, he brought his crippled wife in there. You know, she couldn't walk, her leg was in a brace, and she couldn't do anything by standing up, and the proposition was if I would let him have that room part of it would go for me waiting on her and doing for her, because he would leave to go to work. And I would even go to the store and scrub the floors, which she was unable to do, and



(Testimony of Catherine Hayes Jones.)

that was the agreement about the \$15 a week, and the \$12. I never stopped working for them until they moved.

Q. What portion of the \$15 was to go for your services and what part for the rent?

A. \$7.50 out of the \$15.

Q. How much time did you put in waiting on this lady?

A. I waited on her plumb until he went away.

Q. How much time did you put in?

A. I was there all day long. She couldn't go to the [7] store, and there was times she would be sick and I would even make her bed. I scrubbed her floor, and I waited on her in general, and part of that was to go for that.

Q. And what about the \$12 a week?

A. The same thing. I kept on working. Six for me and six for the rent.

Q. How did the rent happen to be decreased from \$15?

A. He asked me to decrease it when the war was over. \$15 was what I was charging them, and the very day they declared peace, that is the evening he come in and asked me, and his wife didn't want him to do it because she felt it ought to be that for what I was doing for her.

Mr. Richardson: I have no further questions.

(Testimony of Catherine Hayes Jones.)

Cross-Examination

By Mr. Grancell:

Q. Mrs. Hayes, you stated that you had a conversation with Mr. Moxley at the time of renting the room to him; is that correct?

A. He is the man that rented it. My husband wasn't dead, he was there, and he wanted to have it.

Q. Was anyone else present at the time?

A. Nobody but me.

Q. Your husband, Mr. Moxley, and yourself?

A. Yes.

Q. Now, how did you reach the sum—— [8]

The Court: Your husband, Mr. Moxley?

The Witness: No, Mr. Hayes. He is dead. He died on the 8th of July.

Mr. Grancell: I stated, "Your husband, Mr. Moxley, and yourself."

The Court: I see.

Q. (By Mr. Grancell): How did you reach the sum of \$7.50 as being the rent for the room at that time?

A. That is the way his wife and myself—and I decided. She was just like a baby there in her house, and I just assumed it would go on that way, I was the one that would do the work, and if I was satisfied with it, it could be divided that way. That is right. I know I wasn't charging no \$15 just for the room. They had the whole use of the house, the telephone, and everything, the kitchen, and did cooking.

(Testimony of Catherine Hayes Jones.)

Q. Mrs. Hayes, I show you a document and ask you if you can remember signing that document. Is that your signature there?

A. Yes, that's mine.

Mr. Richardson: That is not her signature. It is Mr. Jones' signature.

The Witness: No, that ain't mine. Let me see it again.

(Handing document to the witness.)

The Witness: No, that is his writing there. [9]

Q. (By Mr. Grancell): That is the signature of Ira Jones, your son? A. Ira Jones, yes.

Mr. Grancell: Do you stipulate that the signature on this registration was signed by Mr. Jones, acting as the agent for Mrs. Hayes.

Mr. Richardson: Yes, that is correct.

Mr. Grancell: We offer this document in evidence as Plaintiff's Exhibit 1.

The Court: So received and marked.

The Clerk: Marked Plaintiff's Exhibit 1 in evidence.

(The document referred to was marked Plaintiff's Exhibit No. 1, and was received in evidence.)





# GENERAL INSTRUCTIONS

The landlord is required to register separately each rental dwelling unit, whether occupied or vacant. A dwelling unit is a room or a group of rooms for which a single rent is paid. Complete this Registration Statement in triplicate. (If not typewritten, be sure sufficient pressure is used so that both carbon copies are clear and distinct.)

Remove carbons, and mail or bring the three copies to the Area Rent Office.

Use extra sheets, in triplicate, for sections "D" & "E" if necessary.

Rent Date 3-1-42 Effective Date 11-1-42

## UNITED STATES OF AMERICA OFFICE OF PRICE ADMINISTRATION REGISTRATION OF RENTAL DWELLINGS (TYPE OR PRINT PLAINLY-DO NOT FOLD) (Do Not Use This Form for Hotels and Rooming Houses)

Form DD-U

LANDLORD'S COPY

### IDENTIFICATION

1. 896 E 52nd Place - L.A.  
Address of this rental dwelling unit  
2. Center Bedroom  
Apartment number or location  
3. Number of Rooms in unit being registered 1  
4. Total Number of dwelling units in this structure 2

### SECTION A. MAILING ADDRESS OF LANDLORD

1. Name of Landlord  
2. Name of Agent Mr. Jones  
3. Address Mail to: ↓

Name Catherine Hayes  
Address 896 E. 52nd Pl.  
City and State Los Angeles 11-Calif.

### SECTION B. MAILING ADDRESS OF TENANT

Name of Tenant C.L. Moxley  
Address 896 E. 52nd Pl.  
City and State Los Angeles 11-Calif.

### SECTION C. MAXIMUM RENT

Read carefully and fill in every item which applies to this dwelling unit.

- Rent on "Maximum Rent date" \$ 15.00 per week ( ) per month ( )
- Not rented on "Maximum Rent date" but rented at any time during the two-month period ending on "Maximum Rent date".  
Date last rented during that two-month period: 194  
Rent on that date: \$ 6-7 per week ( ) per month ( )
- Not rented on "Maximum Rent date" nor at any time during the two-month period ending on "Maximum Rent date", but rented after "Maximum Rent date."  
Check one box if applicable:  
☒ (a) Owner occupied or vacant on "Maximum Rent date" and during two-month period ending on "Maximum Rent date".  
☐ (b) Newly constructed without priority rating.  
☐ (c) Newly constructed with priority rating. (If checked, item 6 must also be filled in.)  
Date first rented after "Maximum Rent date." 6-7, 194 5  
Rent on that date: \$ 15.00 per week (X) per month ( )
- Dwelling unit made available by a change which resulted in an increase or decrease in the number of dwelling units after "Maximum Rent date."  
Date first rented after such change: 194  
Rent on that date: \$ 15.00 per week ( ) per month ( )
- Substantially changed after "Maximum Rent date," but before the "effective date." Check one box if applicable:  
☐ (a) From unfurnished to fully furnished.  
☐ (b) From fully furnished to unfurnished.  
☐ (c) By a major capital improvement AS DISTINGUISHED FROM ORDINARY REPAIR, REPLACEMENT AND MAINTENANCE.  
Date first rented after such change: 194  
Rent on that date: \$ 15.00 per week ( ) per month ( )
- Dwelling unit newly constructed with a priority rating from the United States or any agency thereof.  
Rent approved by agency granting priority: \$ 15.00 per week ( ) per month ( )
- THE MAXIMUM RENT FOR THIS DWELLING UNIT IS:  
Enter Maximum Rent in accordance with the following instructions:  
Enter Maximum Rent 15.00 per week (X) per month ( )

(a) If only one of the above items applies to this dwelling unit the Maximum Rent is the rent entered for that item.  
(b) If more than one of the above items apply to this dwelling unit the Maximum Rent is the rent reported for the most recent date, except in the case of item 6.  
(c) If item 6 applies to this dwelling unit the Maximum Rent is the lower of the rents entered in Items 1, 3 or 6.  
\*Note: If any one of the Items 3(b), 4 or 5 applies to this dwelling unit you must also fill in the information required in Section "E." The Rent Director may at any time order a decrease in the Maximum Rent determined under Items 3(a), 3(b), 4 or 5, on the grounds that the rent is higher than the rent generally prevailing for comparable housing accommodations on the "Maximum Rent date."

8. Order issued by Rent Director dated 11-1-42 established maximum rent is amount of \$ 15.00 per week ( ) per month ( )

### Section E. - See Note Section C. 7\*

If item 3(b), 4 or 5 of Section C was filled in, set forth in specific detail the type and cost of:

- New construction
- A change from unfurnished to fully furnished
- A change in the number of dwelling units
- A major capital improvement

### SECTION D. EQUIPMENT AND SERVICES

(Check the equipment and services included in the rent on "Maximum Rent date" or the most recent date you entered in Section C.) (ANSWER "YES" or "NO").

1. EQUIPMENT	YES	NO
Furniture	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Running Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hot Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Flush Toilet	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bathroom	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Central Heating	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Heating Stove	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Refrigerator	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Electricity Installed	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cooking Stove	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If any equipment is shared, explain below:  
Bath & Kitchen

2. SERVICES	YES	NO
Garage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Heat or Heating Fuel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cooking Fuel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cold Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hot Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Light	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ice or Refrigeration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Janitor Service	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Garbage Disposal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Painting & Decorating	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Interior Repairs	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Exterior Repairs	<input checked="" type="checkbox"/>	<input type="checkbox"/>

List any other services:  
Radio - Phone  
Linens - Laundry

Are all equipment and services indicated above now included in the rent? Yes (X) No ( )  
If "No" you must also file Form D-2.

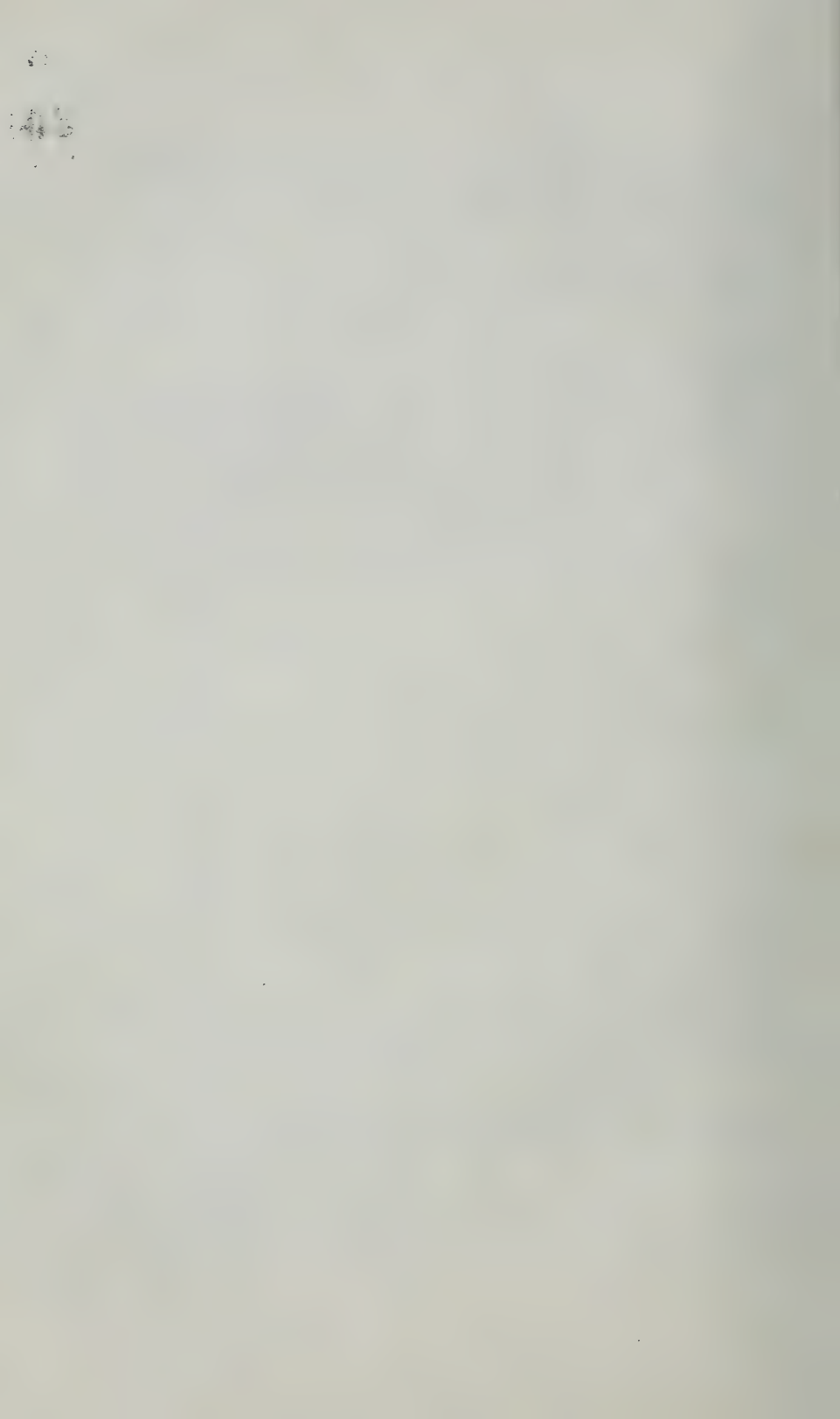
### WARNING

The rent for this dwelling unit on and after the "effective date" can be no more than the Maximum Rent entered in Section C, less or unless changed by order of the Rent Director (see Section C, Item 8).

A false statement on this form or an evasion or attempted evasion of the Maximum Rent Regulation may subject you to a \$5,000 fine or imprisonment for one year.

I HEREBY REPRESENT that all statements and entries given herein are true and correct.

(Signature of Landlord or his Agent) Catherine Hayes (Date)



RECEIVED

EDITING Oct 11-1946

11850

AREA FILES Oct 14-1946

REVIEW Oct 15-1946

EXAMINING Oct. 23-1946

Case No. 7015-M

Docket No. 24244 Maximum Legal Rent has been changed from \$ 15 to \$ 7.58 per week. Order dated 11-15-46. Effective from June 7-1945

Meads vs. Hays  
P. G. S. EXHIBIT (substituted)

Date 11-8-47 No. 1 IDENTIFICATION

Date 11-8-47 IN EVIDENCE

Clerk U. S. District Court, Sou. Dist. of Calif. INSTRUCTIONS TO THE LANDLORD

E. M. Estrangis Deputy Clerk

When the present tenant vacates this dwelling unit, and it is rented to a new tenant, you must:

- (a) Show this form to the new tenant and have him sign on the first blank line provided below; and
- (b) Fill out Form DD 125 (Report of Change in Tenancy) and send it to the Area Rent Office WITHIN FIVE DAYS after the change in tenancy.

INSTRUCTIONS TO THE NEW TENANTS

If the rental charged is more than the Maximum Rent as stated in Section C, Item 7, or if you are not receiving substantially all of the equipment and services reported as included in the rent in Section D, communicate with the local Area Rent Office.

STATEMENT BY NEW TENANTS

(Read The Reverse Side Carefully Before Signing.)

I, the tenant of this dwelling unit, hereby state that this Registration Statement has been exhibited to me, and that it is stamped in the box in the upper left corner.

Tenant's Signature \_\_\_\_\_ Date \_\_\_\_\_, 194\_\_

Tenant's Signature \_\_\_\_\_ Date \_\_\_\_\_, 194\_\_

Tenant's Signature \_\_\_\_\_ Date \_\_\_\_\_, 194\_\_

Tenant's Signature \_\_\_\_\_ Date \_\_\_\_\_, 194\_\_

Tenant's Signature \_\_\_\_\_ Date \_\_\_\_\_, 194\_\_





Mr. Grancell: That is the original registration, your Honor. I ask that an order be made that at the conclusion of the case we may withdraw it and substitute a copy.

The Court: So ordered.

Mr. Grancell: No further questions.

Mr. Richardson: Step down, Mrs. Hayes.

Mr. Richardson: Take the stand, Mr. Jones.

### IRA JONES

called as a witness by and on behalf of the defendant, having been first duly sworn, was examined and testified as follows: [10]

The Clerk: Be seated, please, and state your name.

The Witness: Ira Jones.

The Clerk: How is that spelled?

The Witness: Ira, I-r-a.

The Clerk: Ira Jones?

The Witness: Yes.

### Direct Examination

By Mr. Richardson:

Q. Mr. Jones, are you related to Mrs. Hayes?

A. Yes, I am her son.

Q. Do you know anything about the renting of these premises to Mr. Moxley?

A. Yes, I do, I believe. In fact, I was the one that moved him there.

(Testimony of Ira Jones.)

Q. Were you present at any conversation that took place between Mr. Moxley and Mrs. Hayes?

A. No more than the direct conversation I had with him.

Q. What conversation did you have with him with reference to the renting of the premises, and when did it take place, and where did it take place?

A. I think it was somewhere in June, and I met him, and he asked me if I would move him to my quarters, and so I wanted to know the condition of the place, you know, the transaction. So I talked with him about it, and he told me that his wife was an invalid, and that they would be there a week, and [11] asked me if I would move him and he thought that his wife would agree with the arrangement. Then I asked him, is he going to be here long. "One week," he says. So during that time,—well, I was kind of skeptical because of so many people coming in——

Q. Don't do that. Just tell us exactly what the conversation was. Don't give us your ideas, please. Just give us the conversation as to the arrangement that you had.

A. The arrangement was for mother to see after Mrs. Moxley.

Q. Just tell us what you said to him and what he said to you. Just give us the conversation, as near as you can remember.

(Testimony of Ira Jones.)

A. Well, he wanted to know how much rent we charged. I told him we didn't rent no rooms, I couldn't agree on that. We talked quite a little while, and he said, "Well, will \$15 take care of the whole thing, and your mother see after her?" And I said, "Yes, I think that is reasonable." And from that I moved him on down there, and that was the understanding we had together.

Q. Did you ever have any further conversation with reference to that?

A. No.

Q. He said, "Will your mother see after her?" And did he specify what your mother was to do for her? [12]

A. Yes.

Q. What did he say?

A. He said she couldn't get around, and to clean up around, and to help her get the groceries, because he would be away; and if she is sick, well, he would want her to fix a little dinner for her.

Q. Did your mother cook for them?

A. Yes.

Q. How frequently would she cook for them?

A. I wouldn't know exactly, because I would only be there in the afternoon when I would get off from work, but I am pretty sure when she was sick there that time, she did most of the cooking.

Q. When she was sick, what do you mean?

A. She was in bed, sick.

Q. For how long?

(Testimony of Ira Jones.)

A. I guess about three or four days.

Q. I see. When was that?

A. Well, I think they had been there, I guess, about two months.

Mr. Richardson: I have no further questions.

Cross-Examination

By Mr. Grancell:

Q. Mr. Jones,—— A. Yes. [13]

Q. ——I show you some documents, and ask you if you can identify what those are.

A. Those are receipts.

Q. Is this your signature on these receipts? Would you glance through them and see?

A. That (indicating) is not my receipt. This is mine.

Q. Isn't this your signature?

A. No, that is not my signature.

Q. Do you know whose signature this is?

A. No, I don't. But here is my signature. This is mine.

Q. Just keep them in order, if you can, please.

A. This is the first one. This is my signature here.

Q. Speak louder, please.

A. That is my signature. That is my signature. That is my signature. That is my signature. That is mine. That is my signature.



(Testimony of Ira Jones.)

Q. Would you glance through the rest of them and see if they are all your signature? Just glance through them.

A. Yes, but I want to see for sure. Do you mind if I take them out and I will lay them down, to make sure these are mine? That makes three in all that are not my signature. Those (indicating) are.

Q. Mr. Jones, all of these documents I hold in my right hand bear your signature, do they not?

A. That is correct.

Mr. Grancell: We offer these receipts in evidence as Plaintiff's Exhibit 2.

The Court: So ordered.


The Clerk: Marked Plaintiff's Exhibit 2 in evidence, as a group.

(The documents referred to were marked as Plaintiff's Exhibit 2, and were received in evidence.)

[Example of the several receipts admitted at the trial of the action in the District Court as plaintiff's Exhibit Number 2.]

[Example of the several receipts admitted  
at the trial of the action in the District Court  
as plaintiff's Exhibit Number 2.]

Case No. 7015-M 11550  
Woods Creedon vs. Hayes  
Plaintiff's EXHIBIT 2  
 Date \_\_\_\_\_ No. \_\_\_\_\_ IDENTIFICATION  
 Date 11-8-47 No. 2 IN EVIDENCE  
 Clerk, U. S. District Court, Sou. Dist. of Calif.  
E. M. Enstrom Deputy Clerk

	RECEIVED OF <u>June 15</u> 19 <u>45</u>	
	<u>Mrs. Moyley</u>	
	<u>Fifteen</u>	DOLLARS
RENT OF	<u>896 E-52 PL</u>	No. _____
<u>For Rent of Rooms</u>		STREET FOR _____ MONTH
ENDING	<u>June 22</u>	19 <u>45</u>
\$ <u>15</u>	By <u>Dra Jones</u>	
RENT MUST BE PAID IN ADVANCE		





(Testimony of Ira Jones.)

Mr. Grancell: No further questions.

Redirect Examination

By Mr. Richardson:

Q. One more question. The property is owned jointly by yourself and your mother; is that right?

A. Well, I paid the down payment, and I helped her pay the note on it, but it is in her name; but I am the real owner of it.

Mr. Richardson: All right. That is all.

The Court: I do not want to look through each of these but do any of them specify anything about this service?

Mr. Grancell: No, your Honor. That is why I introduced them into evidence.

The Court: Mr. Jones, you filed Exhibit 1 with the rent agency, didn't you?

A. Yes, I did, your Honor.

Q. You put down there that the rental value of this [15] place is \$15 per week?

A. Yes, I did, your Honor.

Q. And afterwards, when some question came up some little time afterwards and the Rent Authority reduced the rent to a lower rent, did you have notice of that?

A. Yes, I went down there and explained it to them, but it didn't do any good, your Honor. I told them the conditions he came in under and the services my mother was rendering, and that didn't make any difference at all. That was after he had moved out.

(Testimony of Ira Jones.)

Q. Your mother had changed the rent, then, from \$15 to \$12, hadn't she?

A. I think she had already changed it. I am not sure. I am not exactly sure what date it was, but, anyway, she changed it from \$15 to \$12.

Q. What did she do that for?      A. Sir?

Q. What did she do that for?

A. Well, I don't know. He was hurt with his arm there for a long time, and he wasn't working, and his wife wasn't working either, she was sick, and crippled, and he asked her to cut it to \$12, so she did it.

Q. Were there any other rooms in the house rented besides this one room?

A. No, just this one. [16]

Q. How large a place is this?

A. Oh, it is about six rooms, or seven.

Q. Who occupied the rest of the seven rooms?

A. Well, my son and my cousin is over there, and his family.

Q. And did your mother live there?

A. Yes.

Q. Your mother and your son?      A. Yes.

Q. And your cousin?      A. Yes.

Q. And your cousin's family?      A. Yes.

Q. How many were there in the family?

A. Well, it is my cousin, his son and his daughter, and two more people. There is seven people.

(Testimony of Ira Jones.)

Q. Then living in that house of—six rooms, is it?

A. No, it is about seven.

Q. And how many bathrooms?

A. It has got one bathroom.

Q. And how many toilets in it? A. One.

Q. Is that in the bathroom? A. Yes.

Q. That is the only one? [17]

A. That is the only one.

Q. And was the only one there at the time involved here? A. That was the only one.

Q. Did these people all live there in this period while Mr. Moxley was there?

A. No. I think my wife and his son came from Frisco, he was down here for a while, and then went back up to Frisco, he and his wife.

Q. Then all of these folks were not living in the house at the same time during the whole period?

A. No, no; different people.

Q. I suppose they were down here doing some war work?

A. Yes, he was doing defense work.

Q. Now, you went down to the rent agency when they called you down there and sent you a notice that the rent was too high, didn't you?

A. Yes, sir, I did.

Q. Did you present your petition to them?

A. Yes.

Q. And then they reduced the rent to——

A. To \$7.50, but there wasn't anyone in there when they reduced it.

Q. No one was in there, then?

(Testimony of Ira Jones.)

A. No, Mr. Moxley had moved out. That was after he had [18] moved out.

Q. How long had he been gone before the proceeding came up before the Rent Authority to reduce it?

A. I think he had been a month gone.

Q. How did he happen to leave there?

A. Well, I will tell you what happened. My mother was asking them each week when he is going to move, and he says he doesn't know, and after he was there so long, why, he had a fight with his wife and attempted to shoot her, and my mother told him to stop or she would call the police to come down; and then she said she would attempt to have them move, and that made him angry, and he said he was going to fix my mother for that. And that is why he started this.

Q. Did his wife move with him? A. Yes.

Q. They patched up their fight afterwards, did they?

A. Yes, they patched it up after that skirmish.

Q. Was his wife in bed at the time?

A. No. I wasn't there, but my mother said she was down on the floor and that he had a gun turned at her head, and my mother said he looked ready to pull the trigger, and she said she would call the police if he didn't stop that.

Mr. Grancell: I move that the last statement go out as hearsay, as to what his mother told him.

The Court: Yes. That will go out. [19]

The Witness: Thank you.



Mr. Grancell: Your Honor please, I would like to ask that the first and second answer to your Honor's questions be read by the reporter, please. I missed those.

(The record was read.)

Mr. Grancell: Thank you. No further questions.

Mr. Richardson: Step down, Mr. Jones.

(Witness excused.)

Mr. Richardson: The defendant rests, your Honor.

Mr. Grancell: I will call Mr. Curtis Lee Moxley in rebuttal.

### CURTIS LEE MOXLEY

called as a witness on behalf of the plaintiff, in rebuttal, having been first duly sworn, testified as follows:

The Clerk: Be seated, please, and state your name.

The Witness: Curtis Lee Moxley.

The Clerk: Is that M-o-x-l-e-y?

The Witness: That's right.

### Direct Examination

By Mr. Grancell:

Q. Mr. Moxley, will you please speak loud enough so that everyone here can hear you?

A. Yes, sir.

Q. Did you have a conversation with Mrs. Hayes or Mr. Jones prior to renting the housing accom-

(Testimony of Curtis Lee Moxley.)

modations or room [20] involved herein? Did you have a conversation with them?

A. I told them I wanted a room.

Q. To whom did you talk?

A. I was talking with Mrs. Hayes. I never talked with Mr. Jones until she sent him back out to me.

Q. Now, where did the conversation with Mrs. Hayes take place?

A. We was at 896 $\frac{1}{2}$ , over there, at Mr. Howard Johnson's. He had the back house there. That is where I got in conversation with her.

Q. Who was present at the time of this conversation you had with Mrs. Hayes?

A. Mr. Johnson and his wife.

Q. Would you state what was said by Mrs. Hayes and by you, to the best of your recollection?

A. She told me that she had accommodations, but she couldn't let me have it right now, she would let me know in a day or two. That was on Tuesday, and on Wednesday night she sent back out to me, and I went to see her again, and she said, "Yes, my son and me talked it over, and I can let you have it." Then I wanted to know what it was going to be. She said, "It won't be much, but I want a \$15 deposit to prove you take it." So I said, "Well, you don't have an idea what you are going to charge?" She said, "No. We will make it all right when you get in the house." Then after we [21] got in the house——

Q. Just a moment. Was anything said in that

(Testimony of Curtis Lee Moxley.)

conversation that you have told us about as to the care of your wife by Mrs. Hayes?

A. No, sir. No, sir. Nobody cared for her. That is all a mistake.

Q. Then you moved into the house after this first conversation; is that right?

A. That's right.

Q. When did you have your next conversation with Mrs. Hayes?

A. I think about the second or third week-end—well, we didn't understand it was \$15 a week until after—we rented along the first part of the week, and on Friday is when we moved in, and on the next Friday, then she come back and said, "Now, you understand you owe me \$15 a week." And so, you see, my wife was paying her, and I come up and I said, "You must be mistaken."

Mr. Richardson: Just a moment. We object to that upon the ground that is hearsay.

The Court: Yes, sustained.

Q. (By Mr. Grancell): Well, did you have a conversation with Mrs. Hayes as to the amount of the rental per week after that?

A. I let it ride on a while. I was trying to get a place somewhere else, and I couldn't find accommodations. So afterwards I told her it was just entirely too much, and I found out other people were renting so much cheaper, and I just wasn't going to pay it any more.

Q. At any time while you and your wife were occupying that room, did you have any discussion

(Testimony of Curtis Lee Moxley.)

with Mrs. Hayes or Mr. Jones concerning the care of your wife by Mrs. Hayes?

A. No, sir, I did not.

Q. Did Mrs. Hayes render any care to your wife during the period of time that you and your wife occupied that housing accommodation?

A. No, sir.

Mr. Grancell: No further questions.

### Cross-Examination

By Mr. Richardson:

Q. You weren't at home all the time, were you, Mr. Moxley?      A. I was at night.

Q. Well, in the daytime were you at home?

A. No, I worked out days.

Q. Is your wife crippled?

A. Well, she can't get out of the room, but she can do homework.

Q. What was the nature of her disability?

A. Well, she had a little minor accident, and it veined [23] up her leg, and she is kind of heavy, so I bought her one of these here knee braces.

Q. Do you know whether or not Mrs. Hayes did her housework for her?

A. No, sir, she did not.

Q. And scrubbed her floor for her?

A. No, sir, never did.

Q. Do you know whether or not Mrs. Hayes ran errands for her?      A. Did what?

Q. Ran errands for her, to the grocery store and butcher shop?

(Testimony of Curtis Lee Moxley.)

A. That might have been; they might have come up and asked if they could bring her something, they was going down, or something like that.

Q. Well, did your wife go to the butcher shop?

A. Well, once in a while she told me she did, but I taken care of that kind of business myself.

Q. Did she go to the grocery store?

A. She did, occasionally.

Q. You said something about having a conversation with Mr. Jones just prior to the time that you rented the premises. Do you recollect that conversation?

A. How was this question?

Q. Will you read it, please? [24]

(The question was read.)

Mr. Grancell: I believe that, your Honor, is a misstatement of the witness' testimony.

The Court: I do not recall that he said that.

Mr. Richardson: I think he started to say something——

The Court: The reporter would have it if he did. You can ask her to look it up for you.

Mr. Richardson: Well, the first question that was propounded to him with reference to having a conversation was with Mrs. Hayes or with Mr. Jones, I believe, and I think he started——

The Court: The reporter will have it if he said it. Look up the record, please, and read it.

Mr. Richardson: The very first question propounded by counsel, please.

(The record was read.)



(Testimony of Curtis Lee Moxley.)

Q. (By Mr. Richardson): When she sent him back out to you, that is the conversation I want.

A. I just told him I needed a room accommodation, and he told me his mother could accommodate me; and, quite naturally, I wanted to get it if it was possible, but I didn't know it was going to be that——

Q. Was that before you entered the premises?

A. Let's see. I think it was.

Q. At that time did Mr. Jones tell you that there would [25] have to be something paid for the accommodation of your wife on account of her inability to perform her household duties?

A. No, sir.

Mr. Richardson: No further questions.

### Redirect Examination

By Mr. Grancell:

Q. Mr. Moxley, who did the shopping for yourself and your wife, the buying of groceries, and so forth?

A. I did.

Q. Who made the bed in that room, or beds?

A. My wife taken care of all that business.

Q. Who scrubbed the floors?

A. My wife; even so much that while we was there, all the housewives had to come back and clean the kitchen on a certain day, and she taken care of that. That is all a mistake about my wife not working, because she is doing it right along.

The Court: Well, you said something about your wife being disabled, something being the matter with her leg. Could she get around?

(Testimony of Curtis Lee Moxley.)

The Witness: She could get around, but so far as running up town, she can't do it because she has got a weak leg. That's all that is the matter with her.

The Court: What were you doing at that time?

The Witness: Well, I worked out of the house, and I [26] done first one thing and then another, and I would bring the groceries in, back and forth. That is a mistake about that. They didn't do that.

Mr. Richardson: No further questions.

Mr. Grancell: That is all.

(Witness excused.)

Mr. Grancell: The plaintiff rests.

Mr. Richardson: The defendant rests, your Honor. [27]

### CERTIFICATE

I hereby certify that I am a duly appointed, qualified and acting official court reporter of the United States District Court for the Southern District of California.

I further certify that the foregoing is a true and correct transcript of the proceedings had in the above entitled cause on the date or dates specified therein, and that said transcript is a true and correct transcription of my stenographic notes.

Dated at Los Angeles, California, this . . . . . day of . . . . . A. D., 194...

/s/ MARIE G. ZELLNER,  
Official Reporter.

[Endorsed]: No. 11850. United States Circuit Court of Appeals for the Ninth Circuit. Tighe E. Woods, Housing Expediter, Office of the Housing Expediter, Appellant, vs. Catherine Hayes, Appellee. Transcript of Record. Upon Appeal from the District Court of the United States for the Southern District of California, Central Division.

Filed February 4, 1948.

/s/ PAUL P. O'BRIEN,

Clerk of the United States Circuit Court of Appeals  
for the Ninth Circuit.

---

United States Circuit Court of Appeals  
for the Ninth Circuit

No. 11850

TIGHE E. WOODS, Housing Expediter,  
Office of the Housing Expediter,  
Plaintiff,

vs.

CATHERINE HAYES, DOE I and DOE II,  
Defendants.

ADOPTION OF STATEMENT OF POINTS AS  
POINTS ON APPEAL AND DESIGNA-  
TION OF TRANSCRIPT TO PRINTING

The Appellant, Tighe E. Woods, Housing Expediter, hereby adopts the statement of points filed by him in the District Court as his points on appeal.

Also, the Appellant hereby designates for printing for the record on appeal the entire transcript certified from the District Court except the original exhibits and as to those the Appellant designates for printing plaintiff's Exhibit Number One in evidence and a single receipt of the several receipts constituting plaintiff's Exhibit Number Two in evidence. Said single receipt shall be any receipt selected by the Clerk of the several receipts constituting the exhibit.

Dated: Los Angeles, California, this 13th day of February, 1948.

ABE I. LEVY,  
STEPHEN D. MONAHAN,  
FRANK L. HIRST,  
RICHARD G. SOLOF,  
BENJAMIN CHAPMAN,

By /s/ ABE I. LEVY,

Attorneys for Appellant.

[Endorsed]: Filed February 14, 1948.









S. H. Lee

No. 11,851

IN THE

United States Court of Appeals  
For the Ninth Circuit

LEON W. JONES,

*Appellant,*

vs.

UNITED STATES OF AMERICA,

*Appellee.*

BRIEF FOR THE UNITED STATES.

HARRY O. AREND,

United States Attorney,

Fourth Division, District of Alaska,

EVERETT W. HEPP,

Assistant United States Attorney,

Fourth Division, District of Alaska,

Fairbanks, Alaska,

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No. 11,851

IN THE

**United States Court of Appeals**  
**For the Ninth Circuit**

---

LEON W. JONES,

*Appellant,*

vs.

UNITED STATES OF AMERICA,

*Appellee.*

---

**BRIEF FOR THE UNITED STATES.**

---

**JURISDICTION.**

This is an appeal in two cases, consolidated for trial, from separate judgments of the District Court for the Territory of Alaska, Fourth Judicial Division, sentencing the defendant to life imprisonment in an institution of the penitentiary type in each case, sentences to run concurrently. Said judgments were entered on the 11th day of December, 1947 (R. 36-40), pursuant to a jury trial and verdicts of "guilty \* \* \* but without capital punishment" (R. 31, 32) of the alleged crimes of murder in the first degree as charged in the two indictments, each based on Section 4757 of the Compiled Laws of Alaska, 1933 (R. 1-4). Notice of appeal was filed on the 30th day of December, 1947.

(R. 65, 66.) The jurisdiction of the District Court was invoked under the Act of June 6, 1900, Chap. 786, 31 Stat. 322, as amended (48 U.S.C. Sec. 101, likewise constituting Sec. 1091, C.L.A., 1933, p. 273). The jurisdiction of this Court is invoked under Sec. 128 of the Judicial Code, as amended (28 U.S.C. Sec. 225(a), now 28 U.S.C. New, Sections 1291, 1294).

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### QUESTIONS PRESENTED.

(1) Whether the evidence proved that the defendant was so intoxicated that he was incapable of purposely and with deliberation and premeditation committing the crimes of murder in the first degree as charged in the indictments.

(2) Whether the Government had sufficiently removed every other reasonable hypothesis as to the commission of the crimes so as to convict the defendant of the crimes of murder in the first degree as charged in the indictments.

(3) Whether the evidence claimed to be newly discovered in this case warranted the granting of the motion for a new trial.

Leon W. Jones will be referred to herein as the appellant, the designation used by his attorney in appellant's brief.



**STATUTES INVOLVED.**

Section 5341 of the Compiled Laws of Alaska, 1933, provides:

“No act committed by a person while in a state of voluntary intoxication shall be deemed less criminal by reason of his having been in such condition; but whenever the actual existence of any particular motive, purpose, or intent is a necessary element to constitute any particular species or degrees of crime, the jury may take into consideration the fact that the defendant was intoxicated at the time in determining the purpose, motive, or intent with which he committed the act. (2251-CLA).”

Section 5373 of the Compiled Laws of Alaska, 1933, provides in part:

“The former verdict or other decision may be set aside and a new trial granted, on the motion of the defendant, for any of the following causes materially affecting the substantial rights of such party: \* \* \*. Newly discovered evidence, material for the defendant, which he could not with reasonable diligence have discovered and produced at the trial \* \* \*”

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**COUNTER STATEMENT OF THE CASE.**

On Sunday evening, July 20, 1947, the Government's witness, Therriault, in his car, transported the defendant, Leon W. Jones, and Donald R. Harris, one of the victims, from their construction camp at Big Delta, Alaska, on the Alaska Highway southerly a distance of some thirty miles, to the cabin of Carl

Oscar Ahnstrom, the other victim in this case. Just beyond the Ahnstrom cabin stands a second cabin occupied by an Indian family. Both cabins are located a short distance to the left (north) of said highway just after it crosses the Little Gerstle River. Therriault stopped his car on the side at the south end of the Ahnstrom cabin and agreed to stand by for one hour while the defendant and Harris, who had both been drinking beer and carried an unopened whiskey bottle with them, proceeded on foot to the Indian cabin. While Therriault waited, Ahnstrom, an elderly man who had had a stroke the year before, came out of his cabin and the two engaged in conversation for about forty minutes; that is, from 8:00 o'clock until about 8:40 o'clock that evening. (R. 73-78, 83-92, 192.)

Meanwhile, the defendant and Harris entered the Indian cabin occupied by Frank Felix, a sick Indian with heart trouble, his wife, Ellen, and their small children, and drank whiskey out of the bottle with Mr. Felix, carried on some conversation and then quarrelled over going home, Jones wanting to go and Harris hanging back. The Indian children became frightened at the men; so Ellen ordered them out of the house. (R. 94-96, 101-111, 134-138, 141-145, 154, 155.)

As the two men came out of the Felix's cabin, they were "scuffling" and exchanging some blows. Harris, who appeared to be quite drunk, was getting the worst of the encounter and tried to run away from the defendant but fell down in the area between the two cabins which were about 75 feet apart. At this point,

Therriault came up and asked Jones if it wasn't about time to return to camp. The latter, in a hostile mood, told Therriault to mind his own business and get out of there. So Therriault got into his car and drove back to Big Delta, where he immediately reported the incident to a camp foreman. As Therriault pulled out on to the main highway, he looked back and saw Ahnstrom still standing by his cabin. As they watched the outdoor struggle between Jones and Harris through their cabin window, the Felixs became frightened and took to the woods with their children. (R. 75, 78, 79, 90, 91, 93, 110, 111, 138, 141, 146, 149, 153-155.)

Felix remained in the woods with the children, while Ellen and another young Indian woman, Margaret Jacobs, whom they had summoned from an Indian camp about three-quarters of a mile from the Felixs' cabin, returned by a trail to said cabin to get food and a blanket for the children. Just outside the cabin, the women saw the dead body of Carl Ahnstrom but no weapon. They did not see Harris but heard someone making a dying moan near Ahnstrom's cabin, and they saw a man on the Little Gerstle bridge, whom Ellen identified as the defendant, pounding on the bridge and hollering. They hurried to the other natives in the woods and then all went by trail to Stanley Young's trading post, about  $4\frac{1}{2}$  miles distant, where they reported the homicide and remained until the officers arrived the next day. (R. 97, 99, 100, 111, 115, 116, 120-124, 131, 139, 140, 147, 150-152, 158-170.)

On the following day, July 21, 1947, representatives of the United States Marshal, the Alaska Highway Patrol, the Federal Bureau of Investigation, and the United States Army arrived at Little Gerstle, the first ones getting there at about 2:30 A. M., and found the bloody body of Donald R. Harris with the neck chopped open and another cut wound across the right collar bone, lying in front of Carl Ahnstrom's cabin, and the body of Carl Ahnstrom lying face down at the rear of Felix's cabin. There was a bloody, double-bitted ax lying about three feet from Harris' body and a pair of eyeglasses, with one lens broken, near the head. From Harris' mouth was hanging a Camel cigarette that had a little blood where the lips touched it and that appeared to have been slightly burned at the end. In Ahnstrom's back were two deep wounds cut through the shirt he was wearing, and over this was spread an extra khaki shirt. There was also a rather superficial wound on the neck and another on top of the head. On the ground, in the crook of Ahnstrom's left arm, was found an unopened package of Camel cigarettes. (R. 172-189, 227, 239-242.) It is to be noted that Ahnstrom, when alive, had smoked a pipe. (R. 129.)

The Government's medical expert, who performed the post-mortem on both bodies, found that the two deep wounds in Ahnstrom's back penetrated the tissue of the lungs and caused death. The death of Harris he attributed to the neck wound which had severed the great blood vessels and the spinal cord. All of these wounds could have been made with Ahnstrom's ax found near Harris' body. (R. 211-225.)



On said July 21, 1947, pictures were taken of the bodies of the victims and of the scene of the crime and were later duly identified. Measurements were observed showing the distance from the bridge to the side road to be about 100 yards; from the side road to the Ahnstrom cabin, about 60 yards; and from the northeast corner of Ahnstrom's cabin to the southeast corner of the Felix cabin, 57 feet. Close to the northeast corner of Ahnstrom's cabin stood a tree stump and a saw horse. (R. 224-250.) The ax found beside Harris' body was identified as the one Ahnstrom kept in the stump just mentioned. (R. 99.)

Across the bridge from the Ahnstrom cabin at Little Gerstle and a short distance removed from the bridge, is a valve box of the Canol Pipe Line. Here on said 21st day of July, 1947, the officers found some clothes scattered about on the ground outside the box. These clothes, with the exception of a pair of brown pants, had been left in the valve box several days before by a native man, Merle Marie. The pants, when found, were badly rumpled up, wet up to the knees, and carried quite a bit of glacier sediment, or sand. As Frank Felix had reported to the officers that "the white man" had gone down towards Healy Village, referred to above as an Indian camp, said officers proceeded there, following certain tracks or footprints all the way from the valve box. At the village, they found that one of the cabins had been entered and things therein thrown around. They also found a pile of empty boxes of .22-calibre rifle cartridges. They followed the trail on down to the Little Gerstle



river, where they lost it. Along the trail they discovered four chained sled dogs, recently shot to death. (R. 176-178, 186-189, 196-205, 244.)

Road blocks along the Alaska Highway were immediately established and an intensive man-hunt undertaken. Ten days later, July 31, 1947, the defendant was apprehended at Johnson River, along the Alaska Highway, wearing a hat, and torn shirt and pants, with a blanket tied on his back and carrying a .22-calibre rifle. When first asked his name, he did not give his true name. On the drive into Fairbanks that day, he told the officers where he had been and how he had lived in the brush. He also stated that he would have tried to make it over the mountains to the coast and start all over again, but he was glad that it was all over with. When questioned if he got the gun where he killed the dogs, the defendant answered, "Yes". (R. 287-290, 229, 230, 365.)

Incidentally, the gun in question which belonged to Alice Joe, and the aforementioned blanket, the property of Mrs. Jane Healy, had been left behind by their owners at the Indian Camp when they accompanied Merle Marie to George Lake two days before the death of Harris and Ahnstrom. Margaret Jacobs was the last to see these two items, still in the Camp, when she left there with the Felixes on the night of the killings. (R. 159, 170, 207-209, 369.)

Early on the morning of August 1, 1947, when questioned in the United States Marshal's office, the defendant told of events leading up to the tragedy at Little Gerstle and what transpired afterwards until

the time of his arrest but would not discuss the actual homicides themselves. At that time, he was shown the following items and identified them as belonging to himself: (1) The khaki shirt found over Ahnstrom's body; (2) the glasses found near Harris' body; (3) the brown trousers found by the valve box; (4) Ingram pocket watch taken from the above mentioned trousers; (5) tool-chest key attached by key chain to said watch; and (6) handkerchief also taken from said trousers. (R. 261-268.)

On August 8, 1947, the defendant reiterated to Bureau agents and a Deputy Marshal the same story that he related a week before. On this occasion he added, "I don't deny that I killed them (meaning Ahnstrom and Harris). I don't know how \* \* \* I knew that I did, or I must have, because I left and went into the brush. Otherwise, why would I have left and run?" (R. 276-283.)

Peter G. Duncan, a Special Agent of the Federal Bureau of Investigation assigned to the F.B.I. Laboratory in Washington, D. C., made a laboratory analysis of certain blood specimens, clothing and other items submitted to him for examination in this case and found: (1) The blood of Leon W. Jones, the defendant, belongs to International Blood Group "O"; (2) the blood from the dead bodies of Ahnstrom and Harris was putrified and, therefore, unsuitable for analysis; (3) the blood found on the shirt, trousers and T-shirt removed from the body of Harris was all from a person belonging to Group "A"; (4) the blood found on the shirt, pants and underwear worn by

Ahnstrom at the time of his death was all from a person belonging to Group "O"; (5) the *soaked-in* blood on the back of the khaki shirt found spread over Ahnstrom's dead body belonging to Group "O", while the *splashed-on* blood found on the left sleeve of said khaki shirt belonged to Group "A"; (6) some of the human blood on the ax found at the scene of the crime belonged to Group "O", while other blood on the same ax belonged to Group "A"; (7) a human blood stain found on the waist band at the left hand of defendant's trousers found at the valve box was insufficient in quantity to permit Group determination; (8) blood on the glasses found near the body of Harris and blood on chips of wood taken from the floor of the Felix cabin and from the ground between the Ahnstrom and Felix cabins all came from a person belong to Group "A"; and (9) human blood on the cigarette taken from the mouth of Harris' body belonged to Group "A" (R. 291-303).

Testifying in his own behalf, defendant corroborated the witnesses of the Government as to all events that transpired on the fatal day up to the time that Ellen Felix ordered him and Harris out of the cabin. Then his mind became a complete blank until just before sunrise the next morning—about 2:30 A. M. (R. 330-338.) When he came to, he found himself lying in the brush outside Felix's cabin, wearing two pair of pants and a shirt, none of which he had ever seen before and having in his possession a strange blanket and a .22-calibre rifle and shells. He followed a trail a short distance to the Felix cabin and there

discovered the dead bodies of Ahnstrom and Harris. In the mouth of the latter body he saw a cigarette and beside it lay his own khaki shirt. He said that he became panicky and took to the woods, carrying the blanket and rifle with him, and hid out for about ten days, or until he was apprehended and taken to jail at Fairbanks, Alaska. He claimed to have "blackened out" for five hours several years before at a drinking party. (R. 338-344, 352, 353.)

On cross examination the defendant made the following admissions: (1) That he had bought Camel cigarettes on July 20, 1947; (2) that the khaki shirt found on Ahnstrom's body was the one that he (defendant) wore into the Felix cabin on July 20, 1947; (3) that the trousers found at the valve box were "similar" to the ones he was wearing in the Felix cabin; and (4) that he had previously been convicted of a crime (R. 351, 355, 361); but he denied positively that he had killed either Harris or Ahnstrom. (R. 360, 361.)

The jury that tried the charges against the defendant for the killing of Harris and Ahnstrom brought in a verdict of guilty of murder in the first degree on each charge; whereupon the defendant moved for a new trial in both cases on the ground, among others, of newly discovered evidence. He supported his motion by affidavits to the effect that, approximately three years before the homicides at Little Gerstle, Harris had alienated the affections of the wife of the above mentioned Merle Marie and then lived with said wife; that the men had had a fist fight at Nenana,



Alaska, over the affair; and that Merle Marie still felt vindictive toward Harris. (R. 41-59.) Affidavits of the Government in opposition to the motion for a new trial set forth that Merle Marie was at George Lake, about nine miles distant from Little Gerstle, continuously between Friday, July 18, 1947, and Monday afternoon, July 21, 1947. (Supp. R. 7-12; see also R. 206-209, 369-370.)

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## ARGUMENT.

### I.

**DEFENDANT WAS NOT SO INTOXICATED THAT HE WAS INCAPABLE OF FORMING A SPECIFIC INTENT TO KILL AND MURDER.**

The appellant commences the argument of his brief with the contention that the undisputed testimony of all the witnesses is that the appellant, if he killed Harris and Ahnstrom, was incapable because of intoxication of purposely and with premeditation and deliberation committing the crimes charged, and, therefore, the jury was precluded from bringing in a verdict of guilty of murder in the first degree in either of the indictments. (Br. 11.) As a matter of fact, the only witness who gave such testimony was the appellant himself, and the jury did not have to believe him, especially in view of the undisputed testimony of Government's witnesses to the contrary.

First, Therriault stated that when Harris and Jones were exchanging blows between the cabins of Felix and Ahnstrom and Jones told Therriault to mind his



own business and get out of there, he, Jones, "seemed to know very well what he was talking about," but Harris was quite drunk and had fallen down once in the scuffle with Jones. (R. 78, 79.)

Ellen Felix testified that Jones and Harris were drunk when they came into her house and their drunkenness frightened the children; but she also stated that Jones gave the baby some money because the baby was crying. Then Jones wanted to go home but Harris objected. "She (meaning Harris) was drunk. Didn't know nothing." Ellen then ordered the men out of the house, and as soon as they got outdoors, she saw Jones fighting Harris. (R. 96, 108-110.)

Frank Felix's testimony was to the effect that Harris and Jones came into his cabin, not drunk but feeling high. The men had two or three drinks in the cabin and played with the children. Soon Mrs. Felix told them to get out; so they went outside and started to fight. Harris was "really drunk so he fell down. He can't walk." Jones was the best fighter and knocked down Harris. Jones seemed to be carrying Harris along toward the car, because the latter was too drunk to walk. About that time Jones got mad and started to "fight Harris, who was too drunk to fight back." (R. 138, 144, 154, 155.)

The laws of Alaska provide that no act committed by a person while in a state of voluntary intoxication shall be deemed less criminal by reason of his having been in such condition; but whenever the actual existence of any particular motive, purpose, or intent is a necessary element to constitute any particular species

or degrees of the crime, the jury may take into consideration the fact that the defendant was intoxicated at the time in determining the purpose, motive, or intent with which he committed the act. Sec. 5341, C.L.A., 1933. Except for the absence of a preliminary clause on insanity as a defense, the Alaska Statute is copied from the Oregon law on the subject. See Oregon Code, 1940 Ed. Sec. 26-929.

In the Oregon case of *State v. Zorn* (22 Or. 591, 30 Pac. 317), the defendant was found guilty of murder in the first degree and sentenced to be hanged. He appealed and assigned as one of the errors the refusal of the Court to give a requested instruction on drunkenness as affecting the intent of the defendant in committing the act, and the instruction actually given by the Court. The opinion of the Supreme Court of the State of Oregon in that case establishes the rule as to how far drunkenness may be proved to show the mental status of the defendant at the time of the commission of the homicide. We quote from the opinion at length:

“\* \* \* the court instructed the jury as follows: ‘If you believe, from the evidence of this case, that the defendant, at the time of the commission of the crime charged in the indictment, was in a state of voluntary intoxication, this fact, of itself, does not render the act less criminal, and in this sense, I charge you, is not available as a defense; but upon the question whether the act was done with deliberation and premeditation, as charged in the indictment, it is proper to be considered by you in connection with all other facts appearing on the trial in determining the degree of guilt.’

Our Code provides that 'no act committed by a person while in the state of voluntary intoxication shall be deemed less criminal by reason of his having been in such condition; but whenever the actual existence of any particular motive, purpose, or intent is a necessary element to constitute any particular species or degree of crime, the jury may take into consideration the fact that the defendant was intoxicated at the time, in determining the purpose, motive, or intent with which he committed the act.' Hill's Code, Section 1358. All the authorities agree that drunkenness is no excuse for crime. But where, as in this state and others, there are statutes which have degrees of murder, and make deliberation and premeditation ingredients of the crime of murder in the first degree, the question of intent becomes a material fact, and evidence of intoxication is admissible and proper to be taken into consideration by the jury in determining the question as to premeditation and deliberation in murder of the first degree. The defendant's intoxication is submitted to the jury simply for the purpose of showing a want of premeditation. In *Ferrell v. State*, 43 Tex. 508, the court say: 'The current rule upon this subject is that, although drunkenness neither aggravates nor excuses an act done by a party while under its influence, still it is a fact which may affect both physical ability and mental condition, and may be essential in determining the nature and character of the acts of the defendant, as well as the purpose and intention with which they are done.' The fact of intoxication is not admitted as an excuse for the crime, but as a means of determining its degree, when a question arises as to the particular state of mind of the



accused at the time when he committed a crime. In other words the fact of intoxication is to be submitted to the jury with the other facts in the case for the purpose of enabling them to determine the intent of the accused in committing the act. *People v. Williams*, 43 Cal. 344; *State v. Bell*, 29 Iowa, 316; *Nichols v. State*, 8 Ohio, 435; *State v. Mahn*, 25 Kan. 182; *Haile v. State*, 11 Humph. 154; *Golden v. State*, 25 Ga. 427; 4 Amer. & Eng. Enc. Law, p. 705, tit. 'Criminal Law.' The evidence in this case showed that the defendant was intoxicated when he left Walla Walla, and that he had been drinking heavily, off and on, for two weeks. All the facts in respect to his conduct while he was at his home during the day, and shortly after he shot his wife in the evening, were fully detailed to the jury. The substance of the facts we have set out. If it be true that the defendant was intoxicated at the time he shot his wife, the trial court fully met that aspect of the case when it charged the jury that the fact of intoxication should be considered with the other facts in determining the degree of guilt; that while drunkenness, of itself, could not avail as a defense, yet it should be considered upon the question whether the defendant committed the fact with deliberation and premeditation \* \* \*

It seems to us, in the light of the evidence, that the trial court covered by its instructions every ground upon which the defendant could rest its defense, and that there was no error in refusing the instructions asked. In view of the sacredness of life, and the protection which the law throws about it, we have examined carefully the evidence and the instructions given by the trial court so as to guard against any liability to error, and

to give the defendant every benefit and advantage the law affords; and the result of our deliberation is that we find no error, and that the judgment must be affirmed."

See, also *State v. Weaver*, 35 Or. 415, 58 Pac. 109 and *State v. Morris*, 83 Or. 429, 163 P. 567.

In a first degree murder case, the existence of deliberation and premeditation is always a question for the jury, as is the question of whether the accused's intoxication, if the jury finds that he was intoxicated to some degree, precluded him from forming a specific intent to kill and murder. *State v. Butchek*, 121 Or. 141, 253 Pac. 367, affirmed 254 Pac. 805; *State v. Jukich*, 49 Nev. 217, 242 P. 590; *State v. Butler*, 38 N.W., 453, 34 Pac. (2d) 1100; *People v. Lami*, 1 Cal. (2d) 497, 36 Pac. (2d) 192.

In the opinion in the first of the four cases just cited, it was stated:

"The defendant asserts that his conviction of murder in the first degree is erroneous because of the absence of all evidence of deliberate and premeditated malice \* \* \* All questions of fact in a criminal case must be decided by the jury. Or. L. Sec. 1544. Direct proof of deliberation and premeditation is not necessary, but may be inferred from facts proved. *State v. Ah Lee*, 8 Or. 214; *State v. Morey*, 25 Or. 241, 35 P. 655, 36 P. 573.

"The nature of the homicide in this case, the testimony of the threats against the deceased, and the frequent quarrels between them, shows motive for the crime. Therefore this testimony is



admissible as evidence for the purpose of establishing deliberate and premeditated intent to take life. Underhill's Criminal Evidence (3d Ed.) Sec. 514; Wharton on Homicide, 155."

On a re-hearing of the same case, the Oregon Supreme Court added:

"The existence of deliberate and premeditated malice in the killer's mind is the result of a mental condition and is not subject to direct proof. For this reason its existence may be inferred from the tangible facts in evidence. 2 Bishop's Criminal Law, p. 511; Underhill on Criminal Evidence (3d Ed.) p. 709. As supporting this doctrine, see Wharton on Homicide, Sec. 150, 2 Bishop's Criminal Law, Sec. 673, Cyclopaedia of Criminal Law, Brill, 1076 and 30 C.J. 142, 143, where it is held that deliberation and premeditation may be inferred, as a matter of fact, from the circumstances, act, conduct, language, the character of the weapon used, and the nature and number of wounds inflicted."

In the *Jukich* case (supra), the appellant was convicted of the crime of murder in the first degree for shooting to death a 15-year-old girl, and the penalty of death was imposed. There was evidence that the appellant had been drinking just prior to the homicide in question, and he claimed to have no memory of the fatal shooting because of intoxication. Said the Nevada Court:

"Whether appellant's testimony to the effect that he was so intoxicated as to be unconscious of what he was doing was true or not was for the jury

to determine, and was resolved against him by the verdict."

Finally on the question of intoxication, the California Court has followed the general rule stated. This is best expressed in the *Lami* case, *supra*.

"\* \* \* The weight to be accorded to evidence of intoxication and whether such intoxication precluded the accused from forming a specific intention to kill and murder, which intent is a necessary element in murder in the first degree, are matters essentially for the determination of the trier of the facts. *People v. Murphy* (Cal. Sup.) 32 P. (2d) 635; *People v. Yeager*, 19 Cal. 452, 474, 229 P. 40. The evidence offered by the defense does not show that appellant, by reason of the use of intoxicants, was so disordered mentally at the time of the attack on the deceased as to preclude the resultant killing from being of that 'willful, deliberate and premeditated' character designated in Section 189 of the penal code as murder in the first degree. The jury might very reasonably conclude that appellant was not so inebriated as to be unable to appreciate the character and gravity of his deliberate and wrongful acts."

The appellant's detailed recollection and reasonable description of the happenings immediately preceding his exit from the Felix cabin, when he claims to have suddenly blacked out and stayed blacked out for some four or five hours, must have convinced the jury that his mind was not so confused or disordered by the consumption of intoxicating liquor as to re-

lieve him from full responsibility for the ordinary consequences of his wrongful acts. This, and other evidence, may well, and would warrantably, have caused the jury to reject the appellant's evidence as to the extent of his intoxication and to conclude that he was not so inebriated as to be unable to appreciate the character and gravity of his deliberate and wrongful acts. See *People v. DeMoss*, 4 Cal. (2d) 469, 50 Pac. (2d) 1031.

Appellant also contends that there was no motive on his part shown for the commission of the crimes charged. (Br. 12.) The Government counters that there was ample evidence of motive for the killing of Harris by the appellant as gleaned from the testimony of Therriault and the Felixes that Harris was resisting Jones' efforts to get him (Harris) to return to camp. The rage that was boiling up inside Jones towards Harris is evidenced both by the physical abuse the latter was receiving from the appellant at the time and the angry remarks directed by Jones towards Therriault.

As for the appellant's motive for killing Ahnstrom, we offer the same reasonable explanation that appellant advanced when he suggested that Merle Marie killed Harris and then killed Ahnstrom so as to forever silence Ahnstrom, the only eye witness to the hatchet attack upon the drunken and helpless Donald R. Harris. (Br. 13.) From all the evidence in this case, the jury was certainly warranted in finding such a motive for the killing of Carl Ahnstrom by the man who killed Harris.

In the case of *State v. Sullivan*, 139 Or. 640, 11 Pac. (2d) 1054, the Oregon Supreme Court quotes with approval the following passages from Dr. Wharton's work on Criminal Evidence relating to motive:

"When proof has been made of the corpus delicti in a homicide prosecution, all facts and circumstances that tend to show motive on the part of the accused are relevant and equally relevant are the relations between the accused and the deceased, and all ill feeling that existed between them. The application of the rule is not limited by the remoteness of such circumstances, as that goes only to the weight, and not to the relevancy. There is no rule by which remoteness that may effect the relevancy can be established, but this must be determined from the circumstances of each case. It is not affected by the fact that the crime is out of proportion to the motive sought to be shown \* \* \*

*"Motive in homicide is a question of fact to be determined by the jury; it may be inferred from the crime itself, or from the actions of the accused. (Italics ours.)*

"To show the state of mind of the accused towards the deceased, it is relevant to introduce in evidence facts and circumstances relating to any ill treatment of the accused by the deceased \* \* \*

"Not only are quarrels and ill-will relevant in general, but the facts from which a stress of feeling may be reasonably inferred are also relevant \* \* \*" (2 Wharton's Criminal Evidence (10th Ed.) Sec. 895, 896 and 892.)



## II.

**THE GOVERNMENT EXCLUDED EVERY OTHER REASONABLE  
HYPOTHESIS THAN THAT OF THE APPELLANT'S GUILT.**

Appellant's second point relied upon for a reversal in this appeal can best be summarized in that well known rule of law: to convict an accused person on circumstantial evidence, it is necessary for the prosecution to exclude every other reasonable hypothesis than that of the guilt of the accused. He asserts that "others in the immediate vicinity would have had the same opportunity of committing the crime, and that others had a motive for killing at least one of the deceased persons." (Br. 13.)

We expected appellant to name as such "other persons" at least one of the following: Frank Felix, Ellen Felix, Margaret Jacobs, or Eli Therriault. All of them were known to have been at the scene of the crimes, probably only minutes before the victims met their deaths. But even appellant realized that on no *reasonable* hypothesis could anyone of those persons have been guilty of the ghastly deeds perpetrated at Little Gerstle that evening; so he names none of those mentioned. Instead, he points the finger at one lone "peg-leg" Indian, who had a quarrel with the victim Harris at Nenana, Alaska, two or three years before and whose wife had left him to live with Harris.

Without at this time attempting to establish the whereabouts of Merle Marie on July 20, 1948, the Government maintains that the jury could well have eliminated Merle Marie as the subject of "the other



reasonable hypothesis" by the following process: Merle "Peg-Leg" Marie would not likely have used an ax as his weapon of offense in an encounter with three white men—Jones, Harris, and Ahnstrom. If Merle Marie had no firearms of his own, he knew about the guns at the Indian Village, including the one belonging to Alice Joe (R. 170, 177; Supp. R. 8-12), with anyone of which he could have fore-armed himself and which he could have used as the lethal weapon. If Merle Marie had killed Harris and Ahnstrom and he wanted to direct suspicion at the "blackened-out" Jones, would he ever have removed Jones' clothing and put his (Merle's) own shirt and trousers upon the sleeping man? Would a man who had just committed two such gruesome murders, have tarried long enough to go through the struggle and effort of putting a pair of his own trousers, let alone two pair, upon a sleeping drunkard? And then would Merle Marie have left his gun and ammunition beside the prostrate Jones to help the latter effect a getaway? Would Merle Marie have scattered his own clothes outside the valve box on the highway to advertise his misdeeds? Would he have gone to the Indian Village, three-quarters of a mile away, to get a blanket for the comfort and protection of Jones, when there was probably plenty of bedding available in the Ahnstrom cabin? And, finally, if he had gone to the Indian Village, would he have killed the four sled dogs, so essential to the Alaska Indian economy?

It is not every hypothesis, but only every reasonable hypothesis except that of guilt, that the circumstantial evidence must exclude. The evidence need not

demonstrate the guilt of accused beyond the possibility of his innocence; and, if the circumstances as proved produce a moral conviction to the exclusion of every reasonable doubt, they need not be absolutely incompatible, on any reasonable hypothesis, with the innocence of the accused. (23 *U.J.S.*, *Crim. Law*, Sec. 907c.) In this case there was no evidence whatever connecting any known person other than Jones with the murders at Little Gerstle. I refer now both to the case in chief and to the evidence set forth in the affidavits and counter affidavits in connection with the motion for a new trial because of newly discovered evidence. It is true that several other persons may have had the opportunity to commit the crime, but such opportunity in others, standing alone, cannot be the basis for a reasonable hypothesis against the guilt of the appellant that would have to be excluded by the Government before a conviction would be warranted. At best, mere opportunity in others to commit the crimes would be a fanciful theory in support of Jones' innocence. (*People v. Patello*, 13 Pac. (2d) 1068, 125 Cal. App. 840.)

It is admitted that evidence showing, or tending to show, that another than accused committed the crime charged is competent (*People v. Dewachter*, 187 N.E. 472, 35 Ill. 266); but even then it should have some probative value. (*Wigmore*, 4th Ed., Sec. 142.) In support of our next proposition, we propose to show that there is no probative value in the evidence offered by appellant to show that Merle Marie could have so brutally murdered Harris and Ahnstrom.

## III.

**THERE WAS NO ERROR IN THE DENIAL OF THE MOTION FOR  
A NEW TRIAL BECAUSE OF NEWLY DISCOVERED EVIDENCE.**

According to the appellant, the most important point on which he relies in this appeal is the error of the trial Court in overruling his motion for a new trial upon grounds of newly discovered evidence. We presume that he referred to evidence that might cast suspicion upon someone else as the murderer in this case. (R. 14.)

We concede that in a case of circumstantial evidence, every reasonable hypothesis should be explored and evidence which tends to show that another and not the accused committed the offense, or which may create in the minds of the jury a reasonable doubt as to the identity of the slayer, should not be rejected unless it is remote to a degree that it is of no weight. See *Wilkes v. State* (Texas), 280 S.W. 786; *People v. Jones*, 228 N.Y.S. 571.

In the case of *Flewellen v. State* (Texas, 1929), 18 S.W. (2d) 1087, the Court granted a new trial because of newly discovered evidence that the paramour of the deceased, who had been the chief witness against the appellant, had two weeks prior to the homicide shown the newly discovered witness some bruises on her body which she said deceased had inflicted, and had stated at the time that she (the paramour) was unable to get rid of deceased and that she was going to kill him. In her testimony against appellant at his trial, she claimed to have been sit-

ting alone with deceased on his front porch when she saw appellant come through the gate, advance toward deceased, with his hand behind him, and then threaten to kill deceased. Frightened, she ran away, but heard someone holler twice after she had gone a short distance. Deceased staggered over to a neighbor's house with an ax-like wound in his head, from which he later died. Commenting upon the weight of this newly discovered evidence, the Court said,

“We are unable to say that it is not reasonably probable that it will change the result if heard by a jury upon another trial.”

Clearly distinguishable are the facts surrounding the purported newly-discovered evidence in our own case. Here appellant proposes to show by three witnesses that some two and a half years prior to the homicides at Little Gerstle, an Indian, Merle Marie, had a fist fight at Nenana, Alaska, with the deceased, Donald R. Harris, because about a year before the fight the latter had enticed Merle's wife to leave her husband and live with deceased. (R. 56.) One of these witnesses says that “at all times since the said Donald R. Harris enticed him wife away from him,” Merle Marie felt vindictive toward Harris. (R. 55.) But he sets forth no facts in support of that conclusion except for the fight at Nenana. Three jurors who tried the appellant next step forward with the “judicious” announcement that, if they had only known at the time of the trial what they know now (meaning the newly discovered evidence about the old grudge fight at Nenana) the verdict would have been entirely different. (Supp. R. 1-6.)



It happens that a motion for a new trial on newly discovered evidence presents a question of law addressed, not to jurors, but to the sound discretion of the trial Court and denial thereof will be reversed only for manifest error or abuse of discretion. *Ruckman v. Ormand*, 42 Or. 209, 70 Pac. 707; *Stern v. Valz*, 52 Or. 597, 98 Pac. 148. The three jurors in question read only the affidavits of the persons who knew about the fight at Nenana. They knew nothing about the counter affidavits of the five persons who definitely placed Merle Marie at George Lake, nine miles distant from Little Gerstle, during all of the time that Harris and Ahnstrom could have been killed (Supp. R. 8-12); and they seem to have forgotten that the witness Margaret Jacobs testified at the trial that Merle Marie left for George Lake two days before the killings and did not return to Little Gerstle until the day after Harris and Ahnstrom were felled by the ax. Her testimony was uncontradicted. (R. 207-209, 369, 370.)

Section 5373 of the Compiled Laws of Alaska, 1933, lists the following as one of the grounds for a new trial in criminal cases:

“Fourth. Newly discovered evidence, material for the defendant, which he could not with reasonable diligence have discovered and produced at the trial.”

This provision is the same as a like provision in the law of the State of Oregon. See, *Oregon Code Annotated*, 1940 Ed. Sec. 5-802.



By his failure to rebut the statements contained in the counter affidavits to the effect that Merle Marie could not have been at Little Gerstle at the time of the murders there, the appellant robbed his own affidavits of what little materiality they may ever have had. Taking into consideration the inadequacy of appellant's affidavits, the unrefuted facts set forth in the counter affidavits, the testimony given at the trial, the actions and demeanor of the witnesses at the trial, and the facts and circumstances connected with the double murder, the Government declares that in refusing to grant a new trial on the ground of newly discovered evidence the trial Court was clearly acting within its discretion and committed no error. *State v. Morrison* (Idaho), 11 Pac. (2d) 619; *Andrews v. U. S.*, 224 Fed. 418, 139 CCA 646; *State v. Butchek*, 121 Or. 141, 253 P. 367, 254 Pac. 805; *Watrous v. Salem Brewery Association* (1935) 151 Or. 294, 49 Pac. (2d) 375.

At the trial, counsel for appellant tried desperately by Government's witness, Tuttle, to establish that the victim Harris and Merle Marie had both lived at Nenana, Alaska, and that there were hard feelings between them at that time. (R. 364, 371.) This shows that appellant and his attorney, at the time of the trial, and maybe before, had knowledge of the Nenana fist fight. As Nenana is only sixty miles away from Fairbanks, the place of trial, by train, and less by air, appellant, if he had been diligent, could have ascertained the identity of witnesses who knew the facts regarding the fight and could have produced them at the trial. And, if he had needed more time,

he could have asked for a reasonable continuance to effect his purpose, assuming, of course, that the evidence would have been material. New evidence to support a motion for a new trial must have been discovered since the trial; and it must be such as could not have been discovered before the trial by the exercise of due diligence. *State v. Evans*, 98 Or. 214, 192 Pac. 1062, re-hearing denied 193 Pac. 927; *State v. Magers*, 58 Pac. 892, 36 Or. 38. Appellant appears to have rested confident that he would be able to prove the fact of hard feelings between Harris and Merle Marie by the witness Tuttle. He made no showing that he had no opportunity to question Tuttle privately either at, or before, the trial. He did not exercise due diligence. Further, if Merle Marie was so important to appellant's case, why did not he subpoena Marie, even during the course of the trial?

At page 15 of his brief, appellant interjects a statement which seems to have no bearing on the question at issue here. The statement is to the effect that, if appellant killed Harris at the same time that he killed Ahnstrom, then Ellen Felix and Margaret Jacobs would not have been able to hear Harris moaning when they found Ahnstrom's body and saw appellant on the bridge. The reason that he gives for this assertion is that the neck wound that killed Harris must have caused instant death. The flaw in this argument is that appellant overlooks the fact that Harris had another severe wound across his collar bone which cut through the skin and muscles, but would not have caused death. (R. 215.) The jury could have determined from the evidence that the appellant felled

Harris first with the ax blow across the collar bone and then killed Ahnstrom and went up onto the bridge where the Indian women saw him. After they left, appellant came back to the cabins, and, finding Harris still alive, finished him off with the ax blow at the neck.

The appellant states:

“The test of whether or not a court errs in refusing a new trial is, would the newly discovered evidence have changed the verdict of the jury.” He then cites three cases in support of the proposition. (Br. 15-16.)

Upon reading these cases, we found that in the first one (*State v. Williams*, 86 Pac. 53) the Court concluded that, even though sufficient diligence had been shown by the applicant for the new trial to procure the newly discovered evidence earlier, the award of a new trial on the showing made by affidavits, considered with the counter-showing, would not be justified, especially where the matter is largely within the discretion of the trial Court, and the jury in case a new trial were granted “would be left in about the same position as the one that heard the case before.”

In the second case (*Territory v. Claypool*, 71 Pac. 463) the defendants were convicted, one of stealing sheep and the other of purchasing stolen sheep. In support of their motion for a new trial because of newly discovered evidence, they offered the affidavit of a third party to the effect that at about the time the sheep were stolen from their owner, a shepherd working for the owner disappeared and was no more

heard of in the county. The Appellate Court held that the motion was properly denied, asserting:

“Even if on a new trial it was proved that one of the herders who had charge of the sheep ‘disappeared at or about the same time that the alleged stolen sheep were missed from said herd,’ it would probably not change the result of the trial.”

In the third and last case cited by the appellant (*State v. Power*, 63 Pac. 1112), the Court did not at all touch upon the point raised by the appellant in this case, Leon W. Jones, but touches only upon the need for the applicant for a new trial to show by affidavit that he could not by reasonable diligence have discovered the new evidence before or at the time of the trial of his case.

So the Government concludes that the appellant has failed to establish any of his points by sound law or reason and, therefore, asks this honorable Court not to disturb the verdict, but to affirm the judgment and commitment of the District Court.

Dated, Fairbanks, Alaska,  
January 3, 1949.

Respectfully submitted,

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*Attorneys for Appellee.*





No. 11,852

IN THE

United States Court of Appeals

For the Ninth Circuit

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VERNON H. SUTTLE,

*Appellant,*

VS.

UNITED STATES OF AMERICA,

*Appellee.*

BRIEF FOR THE UNITED STATES.

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FILED

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W. H. P. OSTER



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No. 11,852

IN THE

**United States Court of Appeals  
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---

VERNON H. SUTTLE,

*Appellant,*

vs.

UNITED STATES OF AMERICA,

*Appellee.*

---

**BRIEF FOR THE UNITED STATES.**

---

**JURISDICTION.**

This is an appeal from a judgment of the District Court for the Territory of Alaska, Fourth Division, sentencing the defendant to imprisonment for five years in the Federal Penitentiary at McNeil Island, Washington. Said judgment was entered on the 24th day of December, 1948 (Tr. of R. 18), pursuant to a jury trial and verdict of "Guilty" (Tr. of R. 15) of the alleged crime of Assault with a Dangerous Weapon as charged in an Indictment (Tr. of R. 1) based on Sec. 4778 C.L.A., 1933, p. 906. Notice of appeal was filed on December 30, 1947 (Tr. of R. 23). The jurisdiction of the District Court was invoked under the Act of June 6, 1900, Chap. 786, 31 Stat. 322, as amended, 48 U.S.C. Sec. 101, likewise constituting Sec. 1091, C.L.A. 1933, p. 273. The jurisdiction of



this Court is invoked under Sec. 128 of the Judicial Code, as amended, 28 U.S.C., Sec. 225(a); now 28 U.S.C. New, Sec. 1291.

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### **QUESTIONS PRESENTED.**

Whether the allegations of the Indictment were sufficient to constitute a cause of action against the appellant; whether the appellant was confronted by witnesses; and whether the verdict of the jury was contrary to the evidence, as enumerated by the appellant at pages 3-7 of his brief. Vernon Suttle will be referred to herein as the appellant; and the United States of America, the plaintiff below, will be designated appellee herein. No special statutes are involved in this case.

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### **STATEMENT OF THE CASE.**

On the 26th day of October, 1947, near the hour of 4:00 o'clock, A. M. (Tr. of R. 58, 82), Leo Schlotsfeldt was, in the company of his wife Agnes and friends, occupying a position at the bar of a local nightclub known as the "Talk of the Town" (Tr. of R. 28), situated in the southern outskirts of Fairbanks, Alaska. Also present near the bar was a soldier dressed in civilian clothes named Vernon Suttle (Tr. of R. 68, 70, 136). Suttle was engaged in a conversation with an Indian girl (Tr. of R. 36) and was standing just to the rear and slightly to the left of Schlotsfeldt (Tr. of R. 29, 36). Some occasion arose causing Schlotsfeldt to speak to the Indian girl

(Tr. of R. 29), whereupon his wife remarked in substance that he was talking to Clooches now" (Tr. of R. 29, 37); "Clooch being understood commonly as a highly uncomplimentary vernacular reference to full and part-breed native Indian girls. The Indian girl then remarked in substance that Schlotfeldt "also talked to white trash" (Tr. of R. 29, 37). Following this banter, Schlotfeldt left his place in a turning move (Tr. of R. 54) toward Suttle and the two grappled, after which time they were separated by a house-hired floorman (Tr. of R. 83, 94). Immediately following the separation, blood was observed on Schlotfeldt (Tr. of R. 84, 85), and a later examination disclosed numerous deep lacerations on his person (Tr. of R. 115). Also following the separation, the floorman observed a knife in Suttle's hand, which the former twisted from his grasp (Tr. of R. 83, 94). Schlotfeldt was taken to a local hospital. Suttle was placed under arrest and incarcerated. The scuffle was unique in that it lasted only a few seconds (Tr. of R. 31, 52).

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## ARGUMENT.

### I.

**THE ALLEGATIONS OF THE INDICTMENT ARE SUFFICIENT TO CONSTITUTE A CAUSE OF ACTION UNDER THE PROVISIONS OF SECTION 4778, COMPILED LAWS OF ALASKA, 1933.**

An analysis of appellant's first three points set forth in his Statement of Points, and argued in his brief under the first two titles, shows such inter-

relation of subject matter that separation seems quite awkward. For the purposes of this argument, these points will be combined.

Appellee desires to state at the outset that appellant was charged in the Indictment with having feloniously assaulted another with a dangerous weapon, an act made criminal in the Territory of Alaska under the provisions of Section 4778 of the Compiled Laws of Alaska, 1933. The charging portion of the Indictment was followed by the citation "Section 4771" which appeared as an overlooked typographical error. Appellee contends that the only issue logically existent concerning the indictment at bar is the effect of this erroneous citation. Appellee urges that such error is not ground for dismissal of the Indictment or for reversal of a conviction, as the error did not mislead the appellant to his prejudice. The acts set forth in the Indictment clearly define the crime charged and incorporates in substance the same terminology as appears in the statute.

Appellee desires to point out that the charge to which appellant pleaded was Assault with a Dangerous Weapon (Tr. of R. 3). Also, the verdict set forth the crime of "Assault with a Dangerous Weapon as charged in the Indictment." Appellee asserts that, other than the erroneous numerical citation appearing in the Indictment, no confusion of statutes can be shown.

For authority on the question of dismissal or reversal, appellee sets forth below Rule 7(c), Rules of Criminal Procedure for the District Courts of the

United States, 1946, made applicable to the Territory of Alaska under Rule 54 contained therein.

“RULE 7. THE INDICTMENT AND THE INFORMATION. (C) NATURE AND CONTENTS.

The indictment or the information shall be a plain, concise and definite written statement of the essential facts constituting the offense charged. It shall be signed by the attorney for the government. It need not contain a formal commencement, a formal conclusion or any other matter not necessary to such statement. Allegations made in one count may be incorporated by reference in another count. It may be alleged in a single count that the means by which the defendant committed the offense are unknown or that he committed it by one or more specified means. The indictment or information shall state for each count the official or customary citation of the statute, rule, regulation or other provision of law which the defendant is alleged therein to have violated. *Error in the citation or its omission shall not be ground for dismissal of the indictment or information or for reversal of a conviction if the error or omission did not mislead the defendant to his prejudice.*” (Italics ours.)

Supplementing the above, Paragraph 3 of Notes to Rule 7(c), page 17, states:

“The law at present regards citations to statutes or regulations as not a part of the indictment. A conviction may be sustained on the basis of a statute or regulation other than that cited. *Williams v. United States*, 168 U. S. 382, 389; *United States v. Hutcheson*, 312 U. S. 219, 229.



The provision of the rule, in view of the many statutes and regulations, is for the benefit of the defendant and is not intended to cause a dismissal of the indictment, but simply to provide a means by which he can be properly informed without danger to the prosecution."

Appellant's argument concerning the Indictment and covering his first three points has been searched in vain for any statement alleging prejudice, it dealing instead with numerous points of a highly abstract nature of an even doubtful technical significance; and being in substance so cross-reliant and cross-dependent as to suggest to appellee the lifting of one's self by one's own boot straps, against which proposition appellee finds analytical argument difficult. The subjects will be answered in the order in which they appear in appellant's brief.

Appellant's first and second points relied upon are that the allegations of the Indictment are not sufficient to constitute a cause of action against the appellant, nor do they constitute a crime under the provisions of Section 4771. Considering first the insufficiency of allegations to constitute a cause of action, appellee contends that the allegations are sufficient under Section 4778. The charging portion of the Indictment reads as follows:

"On the 26th day of October, 1947, in the Territory of Alaska, Vernon H. Suttle, armed with an open-bladed pocket knife, which knife was then and there a dangerous weapon, feloniously assaulted Leo Schlotfeldt by cutting and wounding the said Leo Schlotfeldt about the neck, chest and leg with the open blade of said pocket knife."



Section 4778 reads:

“Whoever, being armed with a dangerous weapon, shall assault another with such weapon, shall be punished in the penitentiary not more than ten years \* \* \*”

Certainly the act charged as a crime, namely, Assault with a Dangerous Weapon, is clearly and distinctly set forth in ordinary and concise language and in such a manner as to enable a person of common understanding to know what is intended.

Appellee does not know what portion of Section 4771 is combined with Section 4778 in the Indictment, as charged by appellant. The only words in common are the words “cut” and “wound” and these are not inconsistent with an act of assaulting.

Concerning penalties, appellee contends that the word “feloniously” appearing in the Indictment identifies the calibre of the offense charged and leaves no room for uncertainty or ambiguity resulting in prejudice.

Answering appellant’s argument that the allegations in the Indictment do not constitute a crime under Section 4778 (Br. 6), appellee denies that appellant has any rational argument, short of asserting prejudice, which he has not done. The belief of appellant that he was appealing from a conviction of assault with intent to kill, wound, or maim, is not considered a genuine belief by appellee, in view of the positive identification contained in the verdict (Tr. of R. 15), among other things. What significance the acceptance

of service of the Notice of Appeal by the United States Attorney has is not known by appellee.

For answer to appellant's statement of incumbency upon the prosecution to prove that the pocket knife was a dangerous weapon, appellee respectfully directs attention to the testimony of a physician pertaining to same, appearing in the record (Tr. of R. 116), wherein the doctor states his opinion that the knife would be a dangerous weapon with the blade open. This, coupled with a view of the knife blade in fact used (Tr. of R. 106), certainly justified a jury with experience common to mankind to consider the instrument used as a dangerous weapon.

Appellee admits that the allegations contained in the Indictment do not constitute a cause of action under the provisions of Section 4771. Such was never intended.

Considering last the authorities appellant cites in support of his contentions, appellee desires to review same at this point. The only case believed to be pertinent to the case at bar is an Oregon case, *State v. Branton* (87 Pac. 535), which, interestingly enough, involves two Oregon Statutes from which the Alaskan Statutes 4771 and 4778 were copies, namely, Sections 1767 and 1771. Appellee quotes from the above case:

“Section 1767 makes it a crime to assault another with intent to kill, and Section 1771, to assault another with such (dangerous) weapon. An Information charged an assault with a revolver by shooting and wounding with intent to kill **HELD** that, assuming that the Information charged the violation of Section 1771, as well as Section 1767,

it was not subject to demurrer therefor, since, under accusation of assault with intent to kill, defendant could have been convicted of assault with a dangerous weapon.”

The Court cited as authorities, 1 Bishop New Crim. Law (Sec. 780); 1 McClain Crim. Law (Secs. 271, 272); and cases *State v. McLennen* (16 Pac. 879); *State v. Lavery* (58 Pac. 107); and *State v. Kelly* (68 Pac. 1). The above case, incidentally the best case appellee could find as argument against appellant's contentions even though cited by the latter, makes possible an otherwise duplicitous charge under two statutes, provided the less grave section premises the conviction. Appellee argues, *a priori*, that where the only reference to the more grave offense is by mistaken citation, and not combined in terminology of charge, no error results.

Considering the other cases cited by appellant, appellee denies that same have a bearing at bar, as they deal with Informations containing joinder of separate and distinct offense, namely, selling intoxicating liquor and conveying intoxicating liquor from one place in the State to another place in the State. In *Chamsett v. State* (109 Pac. 124), the State confessed error and reversal resulted, said error being the trial Court's denial of defendant's Motion to require the State to elect upon which offense charged in the Information it would prosecute. In *Scott v. State* (109 Pac. 240), the Court stated that a general verdict of guilty was not sufficiently certain to enable the Court to pronounce judgment.

## II.

**APPELLANT WAS CONFRONTED BY THE WITNESSES  
AGAINST HIM.**

Considering appellant's argument of non-confrontation of witness, appellee urges that all testimonial evidence presented to the jury was by witnesses confronting the accused. This satisfies the constitutional guarantee of confrontation. The fact that the victim involved was not asked by the prosecution to testify concerning the incident would seem to have no bearing on the matter. The evidence presented to the jury was for the most part testimony of other eye witnesses who had viewed the incident (Tr. of R. 28, 46, 57, 67, 82, 92, 106).

Appellant's suggested application of the rule of confrontation would seem to give rise to impossible situations in cases of homicide or other incapacitation of victims. To assert in substance that a prosecution must fail if one assaulted does not, or cannot, testify against his assailant seems absurd.

Appellee desires to counter the inference raised by appellant's statement that Schlotfeldt testified that he did not know Vernon Suttle, and had never seen him until the preliminary hearing before the United States Commissioner, by attaching to same a character of negative pregnancy. Appellee urges this Honorable Court to consider the purported factual phrase "had never seen" as necessarily qualified by such propositions as consciousness, perception and memory.



Corpus Juris Secundum (Vol. 23, Sec. 999, p. 362) states, concerning the guarantee of confrontation by constitutional provision,

“Confrontation has been defined as the act of setting a witness face to face with the prisoner, in order that the latter may make any objection he has to the witness, or that the witness may identify accused \* \* \* Confrontation is, in its main aspect, however, merely another term for the test of cross-examination, and the main or principal purpose of the constitutional or statutory guarantee here under consideration is to assure the right of cross-examination; and in any event, the right of accused in this regard includes the right to cross examine the witnesses. The test of the right to cross-examination under the constitutional guarantee is not who calls the witness but the character of the testimony.”

In this regard, appellee desires to state that appellant called as his own witness the victim, Leo Schlotfeldt, and propounded various questions to him (Tr. of R. 128, 129). Certainly, he had every opportunity to examine this witness at that time and to make any objection he desired to make.

Answering appellant's charge that a witness, namely, Mrs. Schlotfeldt, was not subpoenaed although she was in a position to have seen and heard the beginning of the alleged scuffle, appellee quotes from Corpus Juris Secundum (Vol. 23, Sec. 999, p. 363):

“Right of accused under constitution to be confronted with witnesses does not require the prosecution to call any specific persons as witnesses,”



and cites as authority therefor, *Aycock v. U. S.*, 62 F. (2d) 612, certiorari denied 53 S. Ct. 595. Appellee desires to add that the reason the above-mentioned witness was not called by the prosecution could have been because she was unable to give a constructive account of the incident in question, having been incapacitated by alcohol at the time of the occurrence thereof.

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### III.

#### THE EVIDENCE WAS SUFFICIENT TO SUPPORT A VERDICT OF GUILTY.

According to the testimony of seven eye witnesses (Tr. of R. 28, 46, 57, 67, 82, 92, 106), a fight occurred between the appellant and one Leo Schlotfeldt at a night club. Schlotfeldt was severely cut in five places on his person. A pocket knife identified to have been the cutting instrument (Tr. of R. 106) was seen in the appellant's hand during the cutting (Tr. of R. 59) and taken from him immediately thereafter (Tr. of R. 94). The fight was of remarkably short duration according to seven witnesses (Tr. of R. 31, 48, 59, 68, 83, 96, 109), one of whom, qualified as having professional fighting experience and therefore a good judge of time, testified that the whole incident lasted only ten or less seconds (Tr. of R. 96).

Certainly a jury would be justified in finding, in a barroom scuffle lasting scarcely long enough for numerous blows and a resulting overpowering by one with a compelling drastic defense by his opponent,

coupled with a view of the two participants for purposes of judging relative size, weight and strength, that the use of a knife was unjustified and therefore constituted an assault. Indeed, the jury could well believe that under such breathtaking celerity of action, the appellant must have had his knife in premeditated readiness before the actual scuffle began.

In view of the above account as set forth by the numerous witnesses above referred to, appellant's contention of lack of direct testimony of an assault committed by appellant seems wholly without merit. Commenting on the haziness of one of the prosecution's witnesses, one William Logan McIlroy, appellee desires to state that, without admitting a weakness in said testimony, the jury could place any degree of credibility it elected to such testimony and could, indeed, completely ignore same and still have ample evidence to justify its finding. Appellant's comprehensive charge that the witnesses "were evidently under the influence of intoxicating liquor" is unsupported by the record, although admittedly some had been drinking previously.

Answering appellant's argument of an overt movement by the victim toward the appellant, appellee urges that the jury, after hearing all the evidence, found that an assault by the appellant had been made and this necessarily contemplates consideration of self-defense. Elaborating on the testimony of one Holly Derrick as set forth in appellant's brief (Br. 9), appellee desires to start the testimony at its logical

beginning in order to give a complete picture. Appearing in the record, page 54, the following testimony of the said Holly Derrick appears:

“Q. And then when these words, which you say were hostile words, that you didn’t hear, were spoken to Mr. Schlotfeldt, he got off the stool, is that right?

A. Yes.

Q. Did he go toward Mr. Suttle?

A. I guess they went toward each other. I don’t know how they got together.”

The above testimony seems to establish that the witness, Holly Derrick, could hardly have stated or inferred that Schlotfeldt was an aggressor. He merely stated in substance that he guessed that each went for the other, and the jury was so entitled to believe.

Considering the testimony of Lt. Flood appearing in appellant’s brief (Br. 9), appellee desires to point out that this witness stated that he saw only one cut made, very shortly after which the fight was broken up (Tr. of R. 61). Bearing in mind that the victim suffered five cuts, the jury was justified in believing that some, if not all, of the other four cuts occurred before the victim made a kick at his opponent, the appellant.

Appellant states in his brief (Br. 10) that “no place in the record is there any testimony shown that the appellant was the aggressor in the present instance.” Appellee quotes the following from the testimony of Francis Broderick (Tr. of R. 68):

“Q. Do you recognize that man?

A. Right there (indicating toward defendant). The man there. He had a red and black checkered jacket on at that time, or a shirt.

Q. That is the defendant sitting here?

A. The defendant there. And \* \* \* (interrupting).

Q. Yes.

A. And I saw him take a pass at Leo (Schlotfeldt) and Leo made a half-jab and half-poke at him, and they came toward me. I was standing by the door, and from there I made a grab at Leo and I hollered at Leo and told him to quit fighting, and they went to the floor and I grabbed Leo by the coat and pulled him back up and pulled him against the door, and around into the corner. I told him then he wouldn't gain anything by fighting in a place like that. He would wind up in jail, and he said 'That son-of-a-bitch cut me.' That is the very words he used.

Q. By your statement of 'making a pass,' what do you mean by that?

A. Making a swing at him with his fist.”

Appellee urges that appellant's statement that Mr. Schlotfeldt was the apparent aggressor is unfounded. Appellee, hesitating to assert who was the aggressor, contends that the evidence indicated that the scuffle was precipitated by simultaneous acts of both participants and that the jury was justified in finding that, under such circumstances, among others aforementioned, the appellant's use of a knife was unwarranted and criminal and constituted an assault with a dangerous weapon, as charged in the Indictment.

**CONCLUSION.**

For the reasons aforementioned, appellee respectfully prays that the jury verdict and sentence in the case at bar not be disturbed.

Dated, November 29, 1948.

**HARRY O. AREND,**

United States Attorney,

**EVERETT W. HEPP,**

Assistant United States Attorney,

Fourth Judicial Division, Territory of Alaska,

*Attorneys for Appellee.*



No. 11853

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United States  
Circuit Court of Appeals  
For the Ninth Circuit

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ARIZONA BARITE COMPANY, a Corporation,  
Appellant,

vs.

WESTERN-KNAPP ENGINEERING CO., a  
Corporation,  
Appellee.

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Transcript of Record

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Upon Appeal from the District Court of the United States  
for the District of Arizona

FILED

MAR 26 1948

PAUL P. O'BRIEN, CLERK



No. 11853

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United States  
Circuit Court of Appeals

For the Ninth Circuit

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ARIZONA BARITE COMPANY, a Corporation,  
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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

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In the Superior Court of Maricopa  
County, Arizona

CIV-1054 Phx.

No. 57976

ARIZONA BARITE COMPANY, a corporation,  
Plaintiff,

vs.

WESTERN-KNAPP ENGINEERING CO., a  
corporation,

Defendant.

### COMPLAINT

Comes now Arizona Barite Company, hereinafter called plaintiff, complaining of and against Western-Knapp Engineering Co., hereinafter called defendant, and for cause of action alleges:

#### I.

Plaintiff, Arizona Barite Company, is a corporation duly organized and existing under and by virtue of the laws of the State of Arizona; defendant, Western-Knapp Engineering Co., is a corporation duly incorporated and existing under the laws of the State of California, and is a resident citizen domiciled in said State. At the time this cause of action accrued, said defendant had qualified as a foreign corporation to do and transact business in the State of Arizona and was licensed and authorized, among other things, to transact the character of business it contracted to do as hereinafter

alleged. Prior to the 6th day of May, 1946, plaintiff notified defendant that plaintiff had a claim against defendant, which claim is the basis of this action, for damages and breach of contract, covenants and warranties; that on the 6th day of May, 1946, defendant filed an attempted withdrawal from the State of Arizona and an attempted revocation of agency in derogation and with knowledge of plaintiff's claim, as a design calculated to avoid its obligation to plaintiff, and such withdrawal, being in contravention of the laws and the Constitution of this State, was ineffectual; that service of process may be had upon defendant corporation by serving its designated Agent for service, Mr. J. P. Keller, 1025 South Central Avenue, Phoenix, Arizona, or otherwise, service of process may be had as provided by the Laws of Arizona.

## II.

That heretofore, to-wit: on or about the 9th day of August, 1945, plaintiff and defendant duly signed and entered into a contract in writing under the terms and provisions of which defendant, Western-Knapp Engineering Co., agreed and obligated itself to lay out, design, build and construct for plaintiff, Arizona Barite Company, as set forth in said written contract, a one hundred (100) ton Barite Grinding Plant consisting of the following units:

Ramp and surge bin section;

Crushing plant;

Grinding and classification section;

Thickening, filtering and drying section;  
Packing, storage and shipping section;  
Electric service;  
Water supply and fire protection;  
Office building;

located upon property owned by Arizona Barite Company and situated near the City of Mesa, Maricopa County, Arizona, all as generally shown on that certain Flowsheet No. WKE106-1-B. The said written contract was signed in duplicate, one signed copy of which was delivered to plaintiff, the other signed copy of which was delivered to defendant.

### III.

That by the provisions of said written contract, defendant was obligated to perform all of the work, and furnish and supply all of the materials to design, lay out, build, construct and complete the above described buildings and structures, and covenanted that all of the details of design and workmanship thereof would be the most suitable and safest for the purpose intended, and that all materials and equipment used would be the most suitable and safest for the purpose intended, and that all details of design, workmanship, materials and equipment would be satisfactory to plaintiff. Defendant undertook to perform all of the work, and furnish and supply all of the materials to construct and complete the foregoing improvements and to do everything of all description connected therewith, arising from and out of, or as a result of said



contract, at cost plus a fixed fee of Ten Thousand, Four Hundred and Six Dollars (\$10,406.00), as full compensation for the completion of said Barite Grinding Plant; that the terms and conditions of payment of the fixed fee aforesaid and costs incident to said construction were all fixed and ascertained by the terms and provisions of said written contract.

#### IV.

That defendant, at the time it submitted its bid and at the time it was awarded said contract, was fully aware that the drying section of the said Barite Grinding Plant was an essential and integral part thereof, and was fully aware of the function of said drying section in said plant as in integral unit of the whole, and know the purpose for which same was being constructed and the use to which it would be put, and knew that if such drying section were faulty or should fail to operate properly, or if it proved inadequate, that the entire Barite producing plant would have to be shut down and would cease operations at great cost and damage to Arizona Barite Company.

#### V.

Under the terms of such contract and agreement, said drying section, hereinafter referred to as "Lowden Dryer," was to consist of a suitable brick and mortar furnace structure 12' in width and 48' in length, with walls 13" more or less in thickness, housing the mechanical equipment which was to consist of a steel plate or plates approximately 10'

in width, 43' in length and  $\frac{1}{2}$ " in thickness, upon and across which moist ground barite was to pass in a continuous manner by a conveyor mechanism; that the heating system used in said Lowden Dryer was to consist of two fuel oil burners capable of thoroughly drying said barite. The said Lowden Dryer was to have the ability and capacity to dry one hundred (100) tons of barite per twenty-four (24) hours; that said contract provided that the Lowden Dryer would be the "most suitable and safest for the purpose intended." Said contract likewise contained express warranties and guaranties that all details of design and workmanship and all materials and equipment covered thereby would be fit and sufficient for the purpose intended, of good material and workmanship, and free from defect. By the terms and provisions of said contract, Western-Knapp Engineering Co. warranted that it "is an expert in the design and construction of ramps, surge bins, crushing plants; grinding and classification sections; thickening, filtering and drying sections; packing, storage and shipping sections"; and all other parts and sections of said Barite Grinding Plant.

## VI.

That within a reasonable time after the 9th day of August, 1945, defendant, Western-Knapp Engineering Co., entered upon the premises of plaintiff and entered into the performance of its duties and obligations under and by virtue of the terms of said written contract with plaintiff, and undertook to build and construct said improvements.

## VII.

Plaintiff alleges that defendant undertook to and did prepare all plans and engineering designs for the construction of such Lowden Dryer, and all specifications for material and types of construction thereof; that Western-Knapp Engineering Co. used in the construction of said Lowden Dryer an unworkable, archaic plan, design or specification which had been declared impractical by the original designer thereof many years prior to the use and application thereof by defendant, all of which was known to defendant, but was unknown to plaintiff at the time of the use thereof by defendant; that fire clay brick used by defendant in the construction of said drying section was laid in three courses, without regard to a tie-in of said courses one with another at regular intervals and without expansion joints whatsoever in well or points of contact between the floor and walls and without proper regard for port holes; and the brick construction thereof was wholly inadequate for the temperature necessary for the drying of barite; that faulty construction and arrangement of furnace drafts, heating system and port openings permitted uneven heat distribution and heat losses, creating excessive heat in the immediate vicinity of the burners of said Lowden Dryer, without adequately heating the central and delivery end plates, causing the brickwork in arches, side walls and steel plates to separate, bulge, crumble, buckle and fall when the furnace temperature and heat was increased in an effort to bring about the drying process; that no adequate heat controls of any kind or character

were provided upon said structure and that no method or means for the allowance of wide temperature ranges were installed; that upon initial operations and trials of said Lowden Dryer it apparently operated satisfactorily but by virtue of the latent defects aforesaid, when said dryer was brought to temperatures adequate to bring about said drying process and to offset the improper and inadequate construction thereof, on or about the 28th day of April, 1946, said Lowden Dryer completely failed and collapsed; that all of the defects and failures in said construction were due to faulty designing, improper supervision and construction not in keeping with modern methods and engineering; that the foregoing defects and infirmities in workmanship, supervision or materials were unknown to plaintiff but were well known or should have been known to defendant as experts at the time of the delivery thereof as a completed plant and at the time defendant requested plaintiff to deliver to defendant plaintiff's "acceptance" of said Plant; that the latent defects aforesaid caused and brought about the collapse of said Lowden Dryer.

#### VIII.

That although demand was made upon Western-Knapp Engineering Co., defendant herein, by plaintiff, to place said Lowden Dryer in a satisfactory and useable condition, suitable for the purpose for which it was constructed and intended, defendant failed and refused to do so; that plaintiff has fully and completely complied with and performed all of its obligations under said contract, and has paid



defendant the entire sum of money due and owing to defendant for the construction of the entire Barite Grinding Plant according to the terms and provisions of said written contract, and that plaintiff is guilty of no act or omission causing or justifying defendant to default in its obligation under said contract.

### IX.

By reason of the utter collapse of said Lowden Dryer and the negligent acts and omissions of defendant, plaintiff was forced to and did turn to and employ other engineers who were experts to demolish said structure erected by defendant, Western-Knapp Engineering Co., and to re-design, rebuild and cause to be rebuilt in lieu thereof a new and efficient dryer. The cost to plaintiff of employing said expert engineers and of re-designing and of making such necessary repairs and reconstruction was the sum of Six Thousand, Three Hundred Fifty-five and 28/100 Dollars (\$6,355.28); that said re-designing, repairs and reconstruction were necessary to place said Lowden Dryer in an efficient state and condition of operation and said re-designing, repairs and reconstruction did not increase the value of said Lowden Dryer, but only restored and placed it in a workable condition.

### X.

Plaintiff further alleges that at the time of the execution of said contract, defendant knew the use to which said barite crushing plant would be put and that it was within the contemplation of plaintiff and defendant that said Barite Grinding Plant



was to be operated for profit by plaintiff and it was contemplated that plaintiff would sustain a great loss of profit in the event said Barite Grinding Plant or any part or section thereof should cease or fail to function or be unfit for use; that it was within the knowledge of plaintiff and defendant that the failure of the said Lowden Dryer would result in the closing down of the entire Barite Grinding Plant and mine where the barite ores were being mined and from which mine the barite ores were being delivered to the Barite Grinding Plant, and that if the entire Barite Grinding Plant and mine were closed down, plaintiff would sustain a great loss in overhead, other labor and maintenance expenses.

## XI.

That as a result of the breach of contract and warranties on the part of defendant and the failure of the said Lowden Dryer and the consequent closing down of the entire Barite Grinding Plant, no barite was produced during the period from April 8, 1946, to June 8, 1946, 42 days; that said period of time was a reasonable time within which to have said Lowden Dryer re-designed, repaired and reconstructed and within which to rehabilitate said Lowden Dryer to the condition and state of productivity it should have been but for defendant's faulty construction thereof under its contract with the plaintiff. During such period plaintiff was deprived of profits in the amount of Six Thousand, Nine Hundred Thirty-six and 70/100 Dollars (\$6,936.70) from the operation of said Barite Grinding Plant, and paid out for overhead and

other labor and maintenance expenses of said plant the sum of One Thousand, Two Hundred Seventy-five and no/100 Dollars (\$1,275.00). With respect thereto plaintiff would show that during said 42 day period, by reason of the existing state of war, there existed an urgent demand for barite and the full production of said plant.

## XII.

Plaintiff would further allege that on or about the 8th day of April, 1946, at the insistence of defendant, plaintiff delivered to defendant a written statement formally accepting the entire Barite Grinding Plant, wherein plaintiff expressed satisfaction that the mechanical performance of the plant was apparently in accordance with defendant's contractual obligation; that in truth and in fact said drying section of said plant had been in full use and operation for a period of less than six (6) days at the time of said acceptance, and for the period demonstrated satisfactory mechanical performance; that said acceptance was wholly premature in that said drying section collapsed, failed and became wholly unuseable, by virtue of said latent defects and defects known only to defendant, its agents, servants and employees as experts, immediately after said acceptance, and that a reasonable time for the demonstration of satisfactory mechanical performance of said Lowden Dryer, in accordance with defendant's obligations under the specifications therefor, was not allowed and the said acceptance should be and is cancelled and held for naught.

Wherefore, premises considered, plaintiff, Arizona Barite Company, prays that it have and recover judgment of and against Western-Knapp Engineering Co. for the sum of Six Thousand, Three Hundred Fifty-five and 28/100 Dollars (\$6,355.28), the cost to plaintiff of re-designing, reconstruction of and making necessary repairs to the Lowden Dryer; for the further sum of One Thousand, Two Hundred and Seventy-five Dollars (\$1,275.00), the amount of overhead, other labor and maintenance expenses incurred and paid; and for the additional sum of Six Thousand, Nine Hundred Thirty-six and 70/100 Dollars (\$6,936.70), the amount of lost profits, all of said amounts with interest at the legal rate from the date of filing of this complaint until paid; for costs of court; and for such other and further relief, either at law or in equity, to which plaintiff may show itself fully entitled.

ARIZONA BARITE COMPANY  
STOCKTON & KARAM,

By HENDERSON STOCKTON,  
Security Building, Phoenix,  
Arizona.

FULBRIGHT, CROOKER,  
FREEMAN & BATES,

By HUGH O. BUCK,  
State National Building,  
Houston 2, Texas.

/s/ FRED J. ELLIOTT,  
Security Building,  
Phoenix, Arizona.

[Endorsed]: Filed April 28, 1947.

In the Superior Court of Maricopa County, Arizona  
No. 57976, Div. 1.

ARIZONA BARITE COMPANY, a corporation,  
Plaintiff,

vs.

WESTERN-KNAPP ENGINEERING CO., a  
corporation,  
Defendant.

### SUMMONS

The State of Arizona to the above named defendant,  
Western-Knapp Engineering Co., a corporation,  
Greeting:

You are hereby summoned and required to appear and defend in the above entitled action in the above entitled court, within twenty days, exclusive of the day of service, after service of this summons upon you if served within the State of Arizona, or within thirty days, exclusive of the day of service, if served without the State of Arizona, and you are hereby notified that in case you fail so to do, judgment by default will be rendered against you for the relief demanded in the complaint.

The names and addresses of plaintiff's attorneys are: Fulbright, Crooker, Freeman & Bates, State National Bank Building, Houston 2, Texas; Fred J. Elliott and Stockton & Karam, 507-12 Security Building, Phoenix, Arizona.

Given under my hand and the seal of the Superior Court of Maricopa County, Arizona, this 28th day of April, 1947.

[Seal]                      WALTER S. WILSON,  
Clerk,  
By BEAUMONT SMITH,  
Deputy Clerk.

[Endorsed]: Filed May 6, 1947.

State of Arizona,  
County of Maricopa—ss.

I hereby certify that I received the within Summons on the 29th day of April, A.D. 1947, at the hour of 4:20 p.m., and personally served the same on the 2d day of May, A.D. 1947, on Western-Knapp Engineering Co., a corporation, being the said defendant named in said Summons by delivering to J. P. Keller, in person, as Statutory Agent for Western-Knapp Engineering Co., in the County of Maricopa, a copy of said Summons to which was attached a true copy of the Complaint mentioned in said Summons.

Dated this 2d day of May, A.D. 1947.

Fees—Service .....	\$1.50
1 mile, traveled one way.....	.30
Total .....	<u>\$1.80</u>

L. C. BOIES,  
Sheriff,  
A. K. KING,  
Deputy Sheriff.



[Title of Superior Court and Cause.]

### ORDER OF REMOVAL

This cause coming on for hearing upon the petition of J. H. How, J. N. How, and Clara How in the name and on behalf of Western-Knapp Engineering Co., a corporation, defendant in the above entitled cause, for an order removing this cause to the District Court of the United States for the District of Arizona, and it appearing to this Court that said petitioners have filed said petition for such removal in due form and within the time required by law, and that said petitioners have filed bond herein duly conditioned as provided by law, and it being shown to the Court that the notice required by law of the filing of said bond and petition had, prior to the filing thereof, been served upon the plaintiff herein, which notice the Court finds was sufficient and in accordance with the requirements of the statute, and it appearing to this Court that this is a proper cause for removal to said District Court of the United States, this Court does now hereby accept and approve said bond and said petition; and

It Is Ordered that the above entitled cause be and the same is hereby removed to the District Court of the United States for the District of Arizona; and

It Is Further Ordered that all other proceedings in this Court herein be stayed, and that the Clerk

of this Court be and he is hereby directed to make up the record in this cause for transmission to said District Court forthwith.

Done in Open Court this 21st day of May, 1947.

M. T. PHELPS,

Judge.

[Endorsed]: Filed May 21, 1947.

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[Title of Superior Court and Cause.]

### BOND ON REMOVAL

Know All Men by These Presents:

That we, J. H. How, J. N. How and Clara How in the name and on behalf of Western-Knapp Engineering Co., a corporation, as Principal, and American Employers Insurance Company, as Surety, are held and firmly bound unto Arizona Barite Company, a corporation, the plaintiff in the above entitled cause, its successors and assigns, in the penal sum of One Thousand and No/100 (\$1,000.00) Dollars, lawful money of the United States of America, for the payment of which, well and truly to be made, we and each of us bind ourselves, our successors and assigns, jointly and severally by these presents.

The conditions of this obligation are that, whereas J. H. How, J. N. How and Clara How in the name and on behalf of Western-Knapp Engineering Co., a corporation, have applied by petition to the Superior Court of the County of Maricopa and State of Arizona, for the removal of the above en-

titled cause from said Superior Court to the District Court of the United States for the District of Arizona;

Now, if the said J. H. How, J. N. How and Clara How in the name and on behalf of Western-Knapp Engineering Co., a corporation, shall enter in the District Court of the United States for the District of Arizona within thirty (30) days of the date of filing of the petition for such removal, a certified copy of the record in said suit, and shall well and truly pay all the costs that may be awarded by said District Court, if it shall hold that said suit was wrongly or improperly removed there, then this obligation to be void, otherwise to remain in full force and effect.

In Witness Whereof this instrument is executed this 20th day of May, 1947.

J. H. HOW,  
J. N. HOW,  
CLARA HOW,

In the name and on behalf of Western-Knapp Engineering Co., a corporation,

By HERBERT MALLAMO,  
Their Attorney,  
Principal.

[Corporate Seal]

AMERICAN EMPLOYERS  
INSURANCE COMPANY,  
By R. L. CHARLES,  
Its Attorney in Fact,  
Surety.

Approved May 5, 1947.

[Endorsed]: Filed May 21, 1947.

In the District Court of the United States  
for the District of Arizona

Civil 1054—Phx.

ARIZONA BARITE COMPANY, a corporation,  
Plaintiff,

vs.

WESTERN-KNAPP ENGINEERING CO., a  
corporation,  
Defendant.

DEFENDANT'S MOTION TO QUASH SERV-  
ICE AND RETURN OF PROCESS, NO-  
TICE OF HEARING AND AFFIDAVIT IN  
SUPPORT OF MOTION

Comes Now J. H. How, J. N. How and Clara How in the name and on behalf of Western-Knapp Engineering Co., a corporation, defendant, appearing specially, by their attorneys undersigned, and for the sole purpose of this motion only, and for no other purpose, and without submitting to the jurisdiction of this Court, moves the Court to quash the summons issued in this action, and the service and return thereof, upon the grounds and for the reasons as follows:

1. That Western-Knapp Engineering Co., a corporation, was organized under and by virtue of the laws of the State of California;

2. That said Western-Knapp Engineering Co., a corporation, was, on or about the 8th day of August, 1945, duly qualified and admitted to transact



its corporate business within the State of Arizona; that J. P. Keller was duly named and appointed statutory agent therefor.

3. That subsequently, on or about the 6th day of June, 1946, said Western-Knapp Engineering Co., a corporation, duly revoked the appointment of said J. P. Keller, as its lawful agent in and for the State of Arizona, for and in behalf of said corporation to accept and acknowledge service of any and all process or processes; and that said Western-Knapp Engineering Co., a corporation, defendant herein, ceased to transact business within said State of Arizona and withdrew therefrom; that from said date and ever since said defendant corporation has not carried on or transacted business within said State; nor has said defendant corporation had any agent or employee within the State of Arizona during all such time; that J. P. Keller has never been and is not now, an employee of said defendant corporation, for any purpose whatsoever;

4. That said J. P. Keller was not, when process in this cause was served upon him, and is not now, the agent or employee of said defendant corporation herein for any purpose whatsoever.

5. That on or about the 3rd day of January, 1947, said Western-Knapp Engineering Co., a corporation, was duly dissolved pursuant to the laws of the State of California.

All of which more particularly appears from the affidavits of J. P. Keller hereto attached and made a part hereof; and the authenticated copies of said



revocation, withdrawal and dissolution, herein alleged; and attached hereto as Exhibit A; and Exhibit B, and made a part hereof.

This motion is made and based upon the affidavit aforesaid; the exhibits attached hereto; and the records, files, and pleadings herein; this motion and the notice thereof.

LESLIE PARRY,  
/s/ HERBERT MALLAMO,  
Attorneys for Defendant.

#### NOTICE

To: Fulbright, Crocker, Freeman & Bates: Fred J. Elliot and Stockton & Karam: Attorneys for Plaintiff:

You and Each of You Please Take Notice that the above entitled Motion to Quash Service and Return of Process in this action, will be called up for hearing at the next regular call of the Law and Motion Calendar of said Court, in the Federal Court House Building, Phoenix, Arizona, at which time and place you may appear and take such part as you deem proper.

LESLIE PARRY,  
/s/ HERBERT MALLAMO,  
Attorneys for Defendant.

Received Service of the foregoing this 24th day of June, 1947.

STOCKTON & KARAM,  
FRED J. ELLIOTT,  
Attorneys for Plaintiff,  
per EDa.

AFFIDAVIT IN SUPPORT OF MOTION TO  
QUASH SERVICE AND RETURN OF  
PROCESS

State of Arizona,  
County of Maricopa—ss.

J. P. Keller, being first duly sworn upon his oath  
deposes and says:

1. That Western-Knapp Engineering Co., a  
corporation, was heretofore organized under and  
by virtue of the laws of the State of California.

2. That said Western-Knapp Engineering Co.,  
a corporation, was, on or about the 8th day of  
August, 1945, duly qualified and admitted to trans-  
act its corporate business within the State of Ari-  
zona; that your affiant, J. P. Keller, was duly ap-  
pointed statutory agent therefor.

3. That subsequently, on or about the 6th day  
of June, 1946, said Western-Knapp Engineering  
Co., a corporation, duly revoked the appointment  
of your affiant, J. P. Keller, as its lawful agent in  
and for the State of Arizona, for and in behalf of  
said corporation to accept and acknowledge service  
of any and all process or processes; and further  
said Western-Knapp Engineering Co., a corpora-  
tion, defendant herein, ceased to transact business  
in said State of Arizona and withdrew therefrom;  
that from said date, and ever since, said defendant  
corporation has not carried on or transacted busi-  
ness within said State; nor has said defendant cor-  
poration had any agent or employee within the State

of Arizona during all such time; that your affiant has never been, and is not now, an employee of said defendant Corporation, for any purpose whatsoever.

4. That your affiant, J. P. Keller, was not when process in this cause was served upon him, and is not now, the agent or employee of said defendant corporation herein for any purpose whatsoever.

/s/ J. P. KELLER.

Subscribed and sworn to before me this 24th day of June, 1947.

[Seal]                      LESLIE PARRY,  
Notary Public.

My Commission Expires December 19, 1950.

State of California, Office of the Secretary of State

I, Frank M. Jordan, Secretary of State of the State of California, hereby certify:

That I have compared the annexed transcript with the Record on file in my office, of which it purports to be a copy, and that the same is a full, true and correct copy thereof.

In Witness Whereof, I hereunto set my hand and affix the Great Seal of the State of California this 8th day of May, 1947.

[Seal]                      /s/ FRANK M. JORDAN,  
Secretary of State,

By /s/ [Illegible]  
Deputy.

CERTIFICATE OF WINDING UP AND DIS-  
SOLUTION OF WESTERN-KNAPP ENGI-  
NEERING CO., A CALIFORNIA CORPOR-  
ATION

Filed in the office of the Secretary of State of the State of California Jan. 3, 1947. Frank M. Jordan, Secretary of State; By /s/ Robert V. Jordan, Assistant Secretary of State.

[Stamped]: Office of Secretary of State. Corporation Number 165811.

The undersigned do hereby certify that they are all the Directors of Western-Knapp Engineering Co., a California corporation; and they do further hereby certify and state:

One: That on the 12th day of December, 1946, a Certificate, signed and acknowledged in accordance with Section 400 of the California Civil Code, was filed with the California Secretary of State stating that said Corporation had elected to wind up and dissolve; that a copy of said Certificate duly certified by said Secretary of State was thereafter on the 17th day of December, 1946, filed in the office of the County Clerk of the City and County of San Francisco, California, being in the county in which the principal office of said Corporation is located.

Two: That the Directors of said Corporation have heretofore caused written notice of the commencement of the winding up of said Corporation to be given by mail to all its shareholders and to all its known creditors and claimants whose addresses appear on the records of the Corporation, in accordance with Section 400a of the Civil Code.



Three: That said Corporation has been completely wound up, its known assets distributed, any tax or penalty due under the Bank and Corporation Franchise Tax Act paid, and its other known Debts and Liabilities actually paid or adequately provided for and that said Corporation is therefore dissolved.

In Witness Whereof, the undersigned have executed this Certificate this 31st day of December, 1946.

/s/ J. N. HOW,

/s/ J. H. HOW,

/s/ CLARA HOW,

All of the Directors of Western-Knapp Engineering Co.

State of California,

City and County of San Francisco—ss.

On this 31st day of December, 1946, before me, Louis Wiener, a Notary Public in and for the City and County of San Francisco, State of California, residing therein, duly commissioned and sworn, personally appeared H. N. How, J. H. How and Clara How, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal at my office in the City and County of San Francisco, the day and year in this Certificate first above written.

/s/ LOUIS WIENER,

Notary Public in and for the City and County of San Francisco, State of California.



State of Arizona, Office of the Secretary

United States of America,  
State of Arizona—ss.

I, Dan E. Garvey, Secretary of State, do hereby certify that Mel D. Michael, whose name is subscribed to the attached certificate as Secretary of the Arizona Corporation Commission, is the duly appointed Secretary of such Commission, and legally qualified to perform the duties of that office; that the seal thereto attached is the seal of the Arizona Corporation Commission, and I verily believe the signature of Mel D. Michael to be genuine.

In Witness Whereof I have hereunto set my hand and affixed the Great Seal of the State of Arizona. Done at Phoenix, the capital, this 20th day of June, A.D. 1947.

[Seal]      /s/ DAN E. GARVEY,  
Secretary of State.

State of Arizona, Arizona Corporation Commission  
To all to Whom these Presents shall Come, Greeting:  
ing:

I, Mel D. Michael, Secretary of the Arizona Corporation Commission, do hereby certify that the annexed is a true and complete transcript of the Revocation of Appointment of Agent and Withdrawal from State of Western-Knapp Engineering Co., which was filed in the office of said Arizona

Corporation Commission on the 6th day of June, A.D. 1946 at 11:00 o'clock a.m. as provided by law.

In Witness Whereof, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission, at the Capitol in the City of Phoenix, this 20th day of June, 1947 A.D.

[Seal]      /s/ MEL D. MICHAEL,  
Secretary.

(This form to be used where the company withdraws from all counties of the State in which it is qualified.)

STATE OF ARIZONA REVOCATION OF AP-  
POINTMENT OF AGENT AND WITH-  
DRAWAL FROM STATE

Know All Men by these Presents:

That Western-Knapp Engineering Co., a corporation duly organized and existing under the laws of the State of California, does hereby revoke the appointment of J. P. Keller of 1025 So. Central Avenue, Phoenix, Arizona, as its lawful agent in and for the State of Arizona for and in behalf of said company to accept and acknowledge service of all process or processes; and further, does hereby certify that the said Western-Knapp Engineering Co. has ceased to transact business in Arizona and has withdrawn therefrom.

In Witness Whereof, said corporation has caused its corporate name and seal to be hereunto sub-

scribed and affixed by its President and its Asst. Secretary this 31st day of May, 1946.

[Corporate Seal]

WESTERN-KNAPP  
ENGINEERING CO.,

By /s/ (Can't read signature),  
President.

By /s/ (Can't read signature),  
Asst. Secretary.

Arizona Corporation Commission, Incorporating  
Division. Filed at 11:00 a.m., at request of Robert  
Creighton, whose address is Arizona Title Bldg.,  
Phoenix.

GEO. McNEIL,  
Secretary,

By /s/ H. JOHNSON.

[Endorsed]: Filed June 24, 1947.

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In the United States District Court  
for the District of Arizona

Minute Entry of Monday, October 6, 1947

Honorable Dave W. Ling, United States District  
Judge, presiding.

[Title of Cause.]

ORDER GRANTING DEFENDANT'S MOTION  
TO QUASH SERVICE AND RETURN OF  
PROCESS

Defendant's Motion to Quash Service and Return  
of Process having been argued, submitted and by  
the Court taken under advisement,

It Is Ordered that said Motion be and it is  
granted.

(Notation made in civil docket 10/6/47.)

In the United States District Court  
for the District of Arizona

Civil 1054—Phx.

ARIZONA BARITE COMPANY, a corporation,  
Plaintiff,

vs.

WESTERN-KNAPP ENGINEERING CO., a  
corporation,  
Defendant.

### ADDITIONAL SUMMONS

To the above named Defendant: Western-Knapp  
Engineering Co., a corporation:

You are hereby summoned and required to serve upon Fulbright, Crooker, Freeman & Bates, State National Bank Building, Houston 2, Texas; Fred J. Elliott and Stockton & Karam, 507-12 Security Building, Phoenix, Arizona, an answer to the complaint which is herewith served upon you, within twenty days after service of this summons upon you, exclusive of the day of service.

If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

Dated this 13th day of November, 1947.

[Seal]

WM. H. LOVELESS,  
Clerk of Court,

By GERTRUDE I. BITTING,  
Deputy Clerk.

## RETURN ON SERVICE OF WRIT

United States of America,  
.....District of Arizona—ss.

I hereby certify and return that I served the annexed Additional Summons on the therein-named Western-Knapp Engineering Co., a corporation, by serving two copies of Additional Summons with copy of complaint attached to each, by handing to and leaving a true and correct copy thereof with Mel Michael, Secretary of the Arizona Corporation Commission, at his office in Capitol Annex Building, cor., of No. 17th Av., and West Adams St., at 4:10 p.m. and showing him the original personally at Phoenix in said District on the 5th day of December, 1947.

B. J. McKINNEY,  
U. S. Marshal,

By FRANKLIN S. WILLETS,  
Deputy.

Service .....\$4.00

Travel ..... .24

[Endorsed]: Filed December 19, 1947.



[Title of District Court and Cause.]

**MOTION TO QUASH SERVICE AND  
RETURN OF PROCESS**

Comes Now J. H. How, J. N. How and Clara How in the name and on behalf of Western-Knapp Engineering Co., a corporation, defendant, appearing specially, by their attorneys undersigned, and for the sole purpose of this motion only, and for no other purpose, and without submitting to the jurisdiction of this Court, move the Court to quash the summons issued out of this Court, in the above numbered and entitled action, and service or purported service and return thereof.

This motion is made and based upon the affidavits, exhibits and pleadings heretofore filed herein on behalf of said defendant; the Order of this Court made and entered on October 6th, 1947, granting said defendant's motion to quash service and return of process in this action, by this reference made a part hereof, the files, records, pleadings herein; and the Notice of this Motion.

LESLIE PARRY,  
/s/ HERBERT MALLAMO,  
SHAPRO & ROTHCHILD,  
Attorneys for Defendant.

NOTICE

To: Arizona Barite Company, a corporation; Plaintiff; and to Fulbright, Crooker, Freeman & Bates; Fred J. Elliott, and Stockton & Karam: Attorneys for Plaintiff:

You and Each of You Please Take Notice that the above entitled motion to quash will be called up at the next regular call of the Law and Motion Calendar, for hearing before the above entitled Court, in the Federal Court House Building, Phoenix, Arizona, at which time and place you may appear and take such part as you deem proper.

LESLIE PARRY,  
/s/ HERBERT MALLAMO,  
SHAPRO & ROTHSCHILD,  
Attorneys for Defendant.

Received Service of the foregoing this 24th day of December, 1947.

STOCKTON & KARAM,  
By WILMOT W. TREW,  
Attorneys for Plaintiff.

[Endorsed]: Filed December 26, 1947.

In the United States District Court  
for the District of Arizona

Minute Entry of Monday, December 29, 1947

Honorable Dave W. Ling, United States District  
Judge, presiding.

[Title of Cause.]

ORDER GRANTING DEFENDANT'S MOTION  
TO QUASH SERVICE AND RETURN OF  
PROCESS, AND QUASHING RETURN  
AND SERVICE OF PROCESS

Motion of defendant to Quash Service and Return of Process comes on regularly for hearing this day. Henderson Stockton, Esquire, appears as counsel for plaintiff. Herbert Mallamo, Esquire, appears as counsel for defendant.

Said Motion of Defendant to Quash Service and Return of Process is now argued by respective counsel, and

It is Ordered that Defendant's Motion to Quash Service and Return of Process be and it is granted, and that Service and Return of Process issued November 13, 1947, be and it is quashed.

On motion of Henderson Stockton, Esquire,

It Is Ordered that the record show service and return of process issued April 28, 1947, be and it is quashed.

(Notation made in civil docket 12/29/47.)

[Title of District Court and Cause.]

NOTICE OF APPEAL TO THE CIRCUIT  
COURT OF APPEALS FOR THE NINTH  
CIRCUIT

Notice Is Hereby Given that Arizona Barite Company, a corporation, Plaintiff above named, hereby appeals to the Circuit Court of Appeals for the Ninth Circuit from that certain order duly given, made and entered by the United States District Court for the District of Arizona on the 6th day of October, 1947, granting the motion of defendant to quash service and return of process, in the above entitled and numbered cause; and from that certain order duly given, made and entered by the United States District Court for the District of Arizona on the 29th day of December, 1947, quashing service and return of process (personal service upon agent) in the above entitled and numbered cause; and from that certain order duly given, made and entered by the United States District Court for the District of Arizona on the 29th day of December, 1947, granting the motion of defendant to quash service and return of process, and quashing service and return of process (service upon Arizona Cor-

poration Commission) in the above entitled and numbered cause.

Dated: January 3, 1948.

STOCKTON & KARAM,  
FRED J. ELLIOTT,  
507 Security Building,  
Phoenix, Arizona,

FULBRIGHT, CROOKER,  
FREEMAN & BATES,  
State National Building,  
Houston 2, Texas,

HENDERSON STOCKTON,  
Attorneys for Plaintiff and  
Appellant.

[Endorsed]: Filed January 3, 1948.

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[Title of District Court and Cause.]

### COST BOND ON APPEAL

Know All Men by these Presents:

That Arizona Barite Company, a corporation, Plaintiff and Appellant in the above-entitled cause, as Principal, and National Surety Corporation, a New York corporation of New York City, New York, duly authorized to transact a surety business in the State of Arizona, as Surety, are held and firmly bound unto Western-Knapp Engineering



Co., a corporation, its successors and assigns, in the penal sum of Two Hundred Fifty Dollars (\$250.00), for the payment of which, well and truly to be made, we bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.

Given under our hands and seals this, the 3d day of January, 1948.

Whereas, the above-named Arizona Barite Company, Plaintiff and Appellant, has filed notice of appeal to the United States Circuit Court of Appeals for the Ninth Circuit to reverse the orders (judgments) of the United States District Court for the District of Arizona in the above-entitled cause entered and docketed respectively on the 6th day of October, 1947, and on the 29th day of December, 1947;

Now, Therefore, the condition of this obligation is such that if the above named Arizona Barite Company, a corporation, plaintiff and appellant, shall prosecute its said appeal to effect and shall satisfy any judgment for costs which may be adjudged against the said Arizona Barite Company, a corporation, plaintiff and appellant, in full, then this obligation to be void; otherwise, to remain in full force and virtue.

In Witness Whereof, the said Arizona Barite Company, a corporation, has executed this bond for costs on appeal by its agent thereunto first duly authorized, and said Surety has caused its name and

seal to be hereunto affixed by its duly authorized attorney in fact at Phoenix, Arizona, on the 3d day of January, 1948.

ARIZONA BARITE  
COMPANY,  
By HENDERSON STOCKTON,  
Agent,  
Principal.

[Corporate Seal]

NATIONAL SURETY  
CORPORATION,  
a corporation,  
By ERNEST E. SUGGS,  
Attorney-in-Fact,  
Surety.

Received copy of the within bond this, the ....  
day of January, 1948.

.....

Attorneys for Defendant and  
Appellee.

[Endorsed]: Filed January 3, 1948.

[Title of District Court and Cause.]

DESIGNATION BY APPELLANT OF CON-  
TENTS OF RECORD ON APPEAL

To the Clerk of the above named Court:

The Appellant respectfully requests that the entire record and proceedings be included and contained in the Record on Appeal. The entire record and proceedings consist of the following:

1. Plaintiff's complaint, filed April 28, 1947;
2. Summons and return of summons, filed May 6, 1947;
3. Petition for Removal, filed May 21, 1947;
4. Order Shortening Time for Hearing Petition for Removal, filed May 21, 1947;
5. Notice of filing Petition to Remove and of hearing thereon, filed May 21, 1947;
6. Order of removal, filed May 21, 1947;
7. Bond on Removal, filed May 21, 1947;
8. Minute Entries of Superior Court of Maricopa County, State of Arizona, of May 21, 1947;
9. Certificate of Clerk of Superior Court of Maricopa County, Arizona, certifying the Record on Removal;

all of the above filed in the United States District Court on June 19, 1947;

10. Notice of Filing Transcript on Removal, filed June 19, 1947;
  11. Motion to Quash Service and Return of Process, filed June 24, 1947;
-

12. Affidavit of J. P. Keller in Support of Motion to Quash Service and Return of Process, and exhibits thereto attached, filed June 24, 1947;
13. Memorandum of Authorities in Support of Motion to Quash Service of Process, filed June 24, 1947;
14. Brief and Memorandum of Authorities in Opposition to Motion to Quash Service of Process, filed June 27, 1947;
15. Praecipe for Summons, filed November 13, 1947;
16. Additional Summons and United States Marshal's return thereof, filed December 19, 1947;
17. Motion to Quash Service and Return of Process, filed December 26, 1947;
18. All minute entries in this cause;
19. Notice of Appeal to the Circuit Court of Appeals for the Ninth Circuit, filed January 3, 1948;
20. Cost Bond on Appeal, filed January 3, 1948; and
21. This Notice.

Dated at Phoenix, Arizona, this 9th day of January, 1948.

STOCKTON & KARAM,  
FRED J. ELLIOTT,  
FULBRIGHT, CROOKER,  
FREEMAN & BATES,  
HENDERSON STOCKTON,  
Attorneys for Appellant.

Received copy of the within Designation by Appellant of Contents of Record on Appeal this ..... day of January, 1948.

LESLIE PARRY,  
HERBERT MALLAMO,  
SHAPRO & ROTHCHILD,  
HERBERT MALLAMO,  
Attorneys for Appellee.

[Endorsed]: Filed Jan. 10, 1948.

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[Title of District Court and Cause.]

CLERK'S CERTIFICATE TO TRANSCRIPT  
OF RECORD

I, William H. Loveless, Clerk of the United States District Court for the District of Arizona, do hereby certify that I am the custodian of the records, papers and files of the said Court, including the records, papers and files in the case of Arizona Barite Company, a corporation, Plaintiff, vs. Western-Knapp Engineering Co., a corporation, Defendant, numbered Civ. 1054 Phoenix on the docket of said Court.

I further certify that the attached pages numbered 1 to 66 inclusive, contain a full, true and correct transcript of the proceedings of said cause and all the papers filed therein, together with the endorsements of filing thereon, called for and desig-



nated in the Designation filed in said cause and made a part of the transcript attached hereto, as the same appear from the originals of record on file in my office as such Clerk, in the City of Phoenix, State and District aforesaid.

I further certify that the Clerk's fee for preparing and certifying to this said transcript of record amounts to the sum of \$6.70 and that said sum has been paid to me by counsel for the appellant.

Witness my hand and the seal of said Court this 3rd day of February, 1948.

[Seal]      /s/ WM. H. LOVELESS,  
Clerk.

[Endorsed]: No. 11853. United States Circuit Court of Appeals for the Ninth Circuit. Arizona Barite Company, a Corporation, Appellant, vs. Western-Knapp Engineering Co., a Corporation, Appellee. Transcript of Record. Upon Appeal from the District Court of the United States for the District of Arizona.

Filed February 5, 1948.

/s/ PAUL P. O'BRIEN,  
Clerk of the United States Circuit Court of Appeals  
for the Ninth Circuit.

In the United States Circuit Court of Appeals  
for the Ninth Circuit

No. 11853

ARIZONA BARITE COMPANY, a corporation,  
Appellant,

vs.

WESTERN-KNAPP ENGINEERING CO., a  
corporation,  
Appellee.

STATEMENT OF POINTS UPON WHICH  
THE APPELLANT INTENDS TO RELY  
ON APPEAL

The Court erred in the following particulars:

- (1) In granting the motion of defendant to quash service and return of process, and in quashing service and return of process issued April 28, 1947, for the reason that after dissolution or withdrawal from doing business in a state other than the state of its creation, a corporation retains its corporate identity for purposes of winding up its affairs. Service of process may be made upon agent who was such at time of withdrawal from State, no officer or officers being domiciled within the State from which the corporation withdrew from the transaction of business; and

- (2) In granting the motion of defendant to quash service and return of process, and in quashing service and return of process issued November 13, 1947, for the reason that service of process may be made upon a foreign corporation that has qualified to do business in Arizona after its withdrawal from doing business in Arizona by service upon the Arizona Corporation Commission in an action involving acts of business transacted in the State before withdrawal under the Constitution of Arizona and statutory enactments.

It is provided by Section 5 of Article 14 of the Constitution of Arizona, in substance, that a foreign corporation cannot do business in Arizona upon more favorable conditions than are prescribed by law for similar corporations organized under the laws of the State of Arizona.

It is provided by Sec. 53-804, Arizona Code 1939, in substance, that a foreign corporation, upon complying with the provisions of the Arizona law, shall "have and enjoy the same rights and privileges held and enjoyed by a like domestic corporation."

Sec. 21-314, Arizona Code 1939 provides that "when a domestic corporation does not have an officer or agent in this state upon whom legal service of process can be made, summons may be served upon such corporation by depositing two (2) copies

thereof in the office of the Corporation Commission, which shall be deemed personal service upon such corporation.”

Dated at Phoenix, Arizona, this 5th day of February, 1948.

STOCKTON & KARAM,  
FRED J. ELLIOTT,  
FULBRIGHT, CROOKER,  
FREEMAN & BATES,  
/s/ S. N. KARAM,  
Attorneys for Appellant.

Received copy of the within Statement of Points Upon Which the Appellant Intends to Reply on Appeal this 5th day of February, 1948.

LESLIE PARRY,  
HERBERT MALLAMO,  
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/s/ H. MALLAMO,  
Attorneys for Appellee.

[Endorsed]: Filed February 10, 1948.





No. 11,853

IN THE  
United States Circuit Court of Appeals  
For the Ninth Circuit

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ARIZONA BARITE COMPANY  
(a corporation),

*Appellant,*

vs.

WESTERN-KNAPP ENGINEERING CO.  
(a corporation),

*Appellee.*

APPELLANT'S OPENING BRIEF.

---

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No. 11,853

IN THE

# United States Circuit Court of Appeals

For the Ninth Circuit

---

ARIZONA BARITE COMPANY

(a corporation),

vs.

*Appellant,*

WESTERN-KNAPP ENGINEERING Co.

(a corporation),

*Appellee.*

## APPELLANT'S OPENING BRIEF.

---

### STATEMENT OF JURISDICTION.

Arizona Barite Company, appellant, is a corporation duly organized and existing under and by virtue of the laws of the State of Arizona (Tr. 2); Western-Knapp Engineering Co., appellee, is a corporation duly organized and existing under the laws of the State of California, and is a resident citizen domiciled in California (Tr. 2).

The amount involved in the litigation is in excess of \$3000.00, and is in the amount of \$14,566.98, exclusive of interest and costs (Tr. 12).

This action was commenced on the 28th day of April, 1947, in the Superior Court of Maricopa

County, Arizona (Tr. 12). Appellee caused it to be removed from said Court to the United States District Court for the District of Arizona (Tr. 15).

The jurisdiction of the United States District Court for the District of Arizona was invoked under Judicial Code, Section 24, Amended (28 U.S.C.A. 41), upon removal under Judicial Code, Section 28, Amended (28 U.S.C.A. 71), and the jurisdiction of this Court is invoked under Judicial Code, Section 128, Amended (28 U.S.C.A. 225).

---

#### STATEMENT OF PLEADINGS.

Appellant, Arizona Barite Company, on April 28, 1947, commenced this action against Western-Knapp Engineering Co., a corporation, appellee, by filing its complaint in the Superior Court of Maricopa County, Arizona, to recover damages for breach of contract, covenants and warranties,—\$6355.28, the cost to appellant of redesigning, reconstruction of, and making necessary repairs to a Lowden Dryer; to recover the further sum of \$1275.00, the amount of overhead, other labor and maintenance expense incurred and paid by appellant; and to recover the additional sum of \$6936.70, the amount of lost profits, and to recover interest on each of said amounts from the date of the filing of the complaint, and for costs of the action (Tr. 2-12).

Summons was issued on the 28th day of April, 1947 (Tr. 13-14), and after service (Tr. 14), the cause was

removed from said Superior Court of Maricopa County, Arizona, to the United States District Court for the District of Arizona (Tr. 15-17).

Appellee on June 24, 1947, filed its motion to quash service and return of process, notice of hearing and affidavit in support of motion (Tr. 18-27).

Thereafter and on November 13, 1947, an additional summons was issued (Tr. 28) and after service thereof (Tr. 29) appellee, on December 26, 1947, filed its motion to quash service and return of process (Tr. 30-31).

---

#### **STATEMENT OF THE CASE.**

Appellant is a corporation organized under the laws of the State of Arizona (Tr. 2). Appellee is a corporation organized and existing under the laws of the State of California and is a resident citizen domiciled in California (Tr. 2). Prior to entering into a contract hereinafter described, on August 9, 1945, appellee complied with the laws of Arizona entitling it to do business as a foreign corporation in Arizona and appellee was duly licensed and authorized to transact in Arizona as a foreign corporation the business which by said contract it undertook to do. Appellee appointed one J. P. Keller of 1025 South Central Avenue, Phoenix, as its statutory agent in Arizona, upon whom process might be served, and such appointment was a condition precedent to appellee's qualification as a foreign corporation to do business in Arizona (Tr. 2). Prior to the 6th day of May, 1946,

appellant notified appellee that it had a claim against appellee for damages for breach of contract, covenants and warranties, and such claim is the basis of this action (Tr. 3).

On the 6th day of May, 1946, appellee filed an attempted withdrawal from the State of Arizona and an attempted revocation of the agency of its Statutory Agent, J. P. Keller, in derogation of and with knowledge of appellant's claim, and as a design calculated to avoid its obligation to appellant; that such attempted withdrawal by appellee was in contravention of the laws and the Constitution of Arizona, and was ineffectual.

In addition to the foregoing facts, it is alleged in the complaint that on the 9th day of August, 1945, appellant and appellee executed and delivered a contract in writing, by which appellee obligated itself to construct for appellant a 100-ton barite grinding plant. Compliance with the terms of said contract by appellant and the payment of the costs of constructing said barite grinding plant and appellee's fee of \$10,406.00 therefor, is alleged. The breach of said contract and its covenants and warranties, and the damage sustained by appellant, is alleged (Tr. 2-12).

Upon the filing of the complaint, and on the 28th day of April, 1947, summons was issued. Since the questions presented by this appeal relate to the sufficiency of the service of process, we quote the material portions of the return of the sheriff of Maricopa County, Arizona, showing how and when summons



was served. Said sheriff certifies that he received the summons on the 29th day of April, 1947, and "personally served the same on the 2d day of May, A. D., 1947, on Western-Knapp Engineering Co., a corporation, being the said defendant named in said Summons, by delivering to J. P. Keller, in person, as Statutory Agent for Western-Knapp Engineering Co., in the County of Maricopa, a copy of said Summons, to which was attached a true copy of the Complaint mentioned in said Summons" (Tr. 14).

Appellee successfully moved to quash service and return of this process (Tr. 27).

From the motion of appellee to quash service and return of process and from the affidavit filed in support of the motion, it appears without conflict that appellee was incorporated under the laws of the State of California; that on the 8th day of August, 1945, appellee qualified with the laws of the State of Arizona entitling it, as a foreign corporation, to transact business in the State of Arizona; that J. P. Keller was named by appellee as its Statutory Agent, upon whom, among other things, process against appellee might be served; that on the 6th day of June, 1946, appellee revoked the appointment of J. P. Keller as its Statutory Agent for the State of Arizona, and that appellee ceased to transact business within the State of Arizona and withdrew therefrom; that from and after June 6, 1946, appellee carried on and transacted no business in Arizona, and had no agent or employee in the State of Arizona; that said J. P. Keller was

never an employee of appellee; that J. P. Keller was not, when process was served upon him, the agent or employee of appellee; that on January 3, 1947, appellee was dissolved pursuant to the laws of the State of California; that authenticated copies of the revocation of the appointment of J. P. Keller as the Statutory Agent in Arizona for appellee, appellee's withdrawal and dissolution, were attached to the mentioned affidavit of J. P. Keller, supporting the motion to quash service and return of process (Tr. 18-27).

Said motion to quash was argued before the Court, as reflected by Minute Entry of October 6, 1947 (Tr. 27). The notation thereof in the civil docket is as follows: "Defendant's Motion to Quash Service and Return of Process having been argued, submitted and by the Court taken under advisement, It Is Ordered that said Motion be and it is granted" (Tr. 27).

After the said disposition of said motion and on the 13th day of November, 1947, an additional summons was issued (Tr. 28) and served upon appellee by the United States Marshal. The marshal's return of service states (Tr. 29): "I hereby certify and return that I served the annexed Additional Summons on the therein-named Western-Knapp Engineering Co., a corporation, by serving two copies of Additional Summons with copy of complaint attached to each, by handing to and leaving a true and correct copy thereof with Mel Michael, Secretary of the Arizona Corporation Commission, at his office in Capitol Annex Building, cor. of No. 17th Av. and West Adams St., at 4:10 p.m. and showing him the original personally at

Phoenix in said District on the 5th day of December, 1947.”

Following the service of the additional summons issued November 13, 1947, on the Arizona Corporation Commission on the 5th day of December, 1947, appellee, on December 26, 1947, filed motion to quash service and return of process (Tr. 30-31). This motion to quash service and return of process was heard by the Court on December 29, 1947 (Tr. 32). After argument of the respective counsel, the Court entered its order “that Defendant’s Motion to Quash Service and Return of Process be and it is granted, and that Service and Return of Process issued November 13, 1947, be and it is quashed” (Tr. 32). Also, on December 29, 1947, the Court entered its order “that the record show service and return of process issued April 28, 1947, be and it is quashed.” (Tr. 32).

From the order granting appellee’s motion to quash service and return of process and quashing service and return of process served upon J. P. Keller, as appellee’s Statutory Agent, on May 2, 1947, and the order granting appellee’s motion to quash service and return of process and quashing service and return of process made upon the Arizona Corporation Commission on the 5th day of December, 1947, appellant, on January 3, 1948, gave its notice of appeal to this Court (Tr. 33-34).

The questions before this Court on this appeal thus arise from the quashing of service and return of process.

Appellant first sought to effect service of process by service upon appellee's Statutory Agent after his appointment had been revoked by appellee, on the theory that the revocation of the appointment of a Statutory Agent could not be made by a foreign corporation to avoid the effective service of process for a cause of action which arose while a foreign corporation was qualified to, and was doing, business in Arizona.

Next, appellant sought to effect service of process by service on the Arizona Corporation Commission upon the theory that a foreign corporation, having complied with the laws of Arizona to do business, would remain subject to process of the Court, just like a domestic corporation would remain subject to process of the Court, after dissolution of the domestic corporation, or when it had no officers or agents within the state upon whom process could be served.

---

#### **SPECIFICATIONS OF ERRORS RELIED UPON.**

The Court erred in the following particulars:

No. 1. In granting the motion of defendant to quash service and return of process, and in quashing service and return of process issued April 28, 1947, and served upon J. P. Keller, as Statutory Agent, on May 2, 1947, for the reason that after dissolution or withdrawal from doing business in a state other than the state of its creation, a corporation retains its corporate identity for purposes of winding up its affairs. Service of process may be made upon the agent who



was such at time of withdrawal from the state, no officer or officers being domiciled within the State from which the corporation withdrew from the transaction of business.

No. 2. In granting the motion of defendant to quash service and return of process, and in quashing service and return of process issued November 13, 1947, and served upon the Arizona Corporation Commission on December 5, 1947, for the reason that service of process may be made upon a foreign corporation that has qualified to do business in Arizona after its withdrawal from doing business in Arizona by service upon the Arizona Corporation Commission in an action involving acts of business transacted in the state before withdrawal under the Constitution of Arizona and statutory enactments.

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### **BRIEF OF ARGUMENT.**

Appellant argues: (1) that since the Arizona statute requires as a condition precedent to a foreign corporation doing business in Arizona, it shall designate an agent in the state upon whom process may be served in an action against it, the withdrawal of appellee from doing business in Arizona and the revocation of the appointment of appellee's statutory agent does not revoke the authority of its agent to receive service in an action on a liability arising in the state out of business done by appellee in the state; (2) that there are well-established exceptions to the general rule that a principal has the right to revoke a



power of attorney at any time. One of the exceptions is where the appointment is coupled with an interest. Another exception is where the appointment is contractual in its nature, given for a consideration, and for the protection of some one, or some interest; (3) that the appointment of the agent of appellee in Arizona was coupled with an interest and was contractual in nature. The appointment of the agent was upon consideration that appellee should have the right to carry on its business in Arizona, and was for the protection of appellant and others who should deal with appellee in the transaction of its business in Arizona.

Appellant next argues that under the Arizona Constitution and the laws of Arizona, a foreign corporation can not do business in Arizona under more favorable terms than a corporation created under the laws of Arizona. Under the circumstances of the instant case, effective service of process could be made upon a domestic corporation by service upon Arizona Corporation Commission, and, therefore, such service is good service on appellee.

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### **ARGUMENT.**

#### **SPECIFICATION OF ERROR NO. 1. THE QUASHING OF SERVICE AND RETURN OF PROCESS UPON STATUTORY AGENT.**

Appellant contends that it is the law that, after dissolution or withdrawal from doing business in the state other than the state of its creation, a corporation which has complied with the laws of such state entitling it to do business retains its corporate identity

for purposes of winding up its affairs, and that service of process may be made upon the agent who was such at time of withdrawal from the state, no officer or officers being domiciled within the state from which the corporation withdrew from the transaction of business.

Appellee complied with the laws of the State of Arizona entitling it to do business in Arizona. After doing so, appellee contracted in writing with a corporate citizen of the State of Arizona and, after breaching its said contract, attempted to avoid the service of process upon it by revoking the appointment of its Statutory Agent and by withdrawing from doing business in Arizona, with the intent and for the purpose of preventing appellant in the Courts of Arizona from recovering damages against it for its breach of said contract and the covenants and warranties therein contained.

May a foreign corporation do so? Is the revocation of the appointment of its Statutory Agent effective, it having no officer or other agent in the state upon whom process might be served? This is the first question for consideration.

Section 53-308, *Arizona Code 1939* (a copy of which appears in the Appendix to this Brief), provides, in effect, that after dissolution, a corporation may continue to act to wind up its affairs. At common law, upon the dissolution of a corporation it became dead for all purposes. Practical disadvantages of the common law rule as applied to modern conditions are so apparent as to require no argument, and thus the

common law has been abrogated in this respect, not only in Arizona, but in very nearly all of the states. The general rule now is that a dissolved corporation retains its identity for the purpose of winding up its business, and that it may sue and be sued is generally conceded by the overwhelming weight of authority. A very exhaustive annotation, setting out the statutes of various states, is found in 47 *A. L. R.* 1288. An examination of the statutes of the several states discloses that the Arizona statute differs from the statutes of most states in that in Arizona there is no definite period prescribed within which the winding-up process shall occur, and in that the powers of the corporation during the winding-up process are not specifically specified. In these respects the Arizona statute is very similar to the Iowa statute. Under the Iowa statute it has been uniformly held that the winding-up process contemplated by the statute includes the power to sue, or to be sued. See the early Iowa case of *Muscatine Turn Verein v. Funck*, 18 Ia. 469, and the later Iowa case of *Muscatine Western Ry Co. v. Horton*, 38 Ia. 33. In the still later Iowa case of *Wisconsin & Arkansas Lumber Co. v. Cable*, 159 Ia. 81, 140 N. W. 211, action was brought against the corporation some four years after its dissolution. Please note the first Iowa case cited. In this case service of process was had upon the officers upon whom service could have been made, had the corporation not been dissolved, and such service in each case was held to be good service.

In 16 *Fletcher Cyclopedia Corporations* 936, paragraph 8170, appears the statement:

“Under a statutory extension of life of a dissolved corporation it may exercise the powers enumerated in the act, or which are reasonably incidental to the purpose of the extension, namely, to wind up the corporation and liquidate its affairs. The power to sue and to be sued is quite generally included \* \* \*.”

In the case of *Miller Rubber Co. v. Peggs*, 60 Ariz. 157, 132 P. (2d) 439, the Supreme Court of Arizona holds that a Delaware corporation may bring suit in Arizona after its dissolution under the powers conferred upon it by the statutes of Delaware. The Court applied the rule that the power of a corporation to sue after its dissolution depends upon the laws of the state of its incorporation. By implication, this decision holds that like power exists under the Arizona statute. The above-quoted statement from *Fletcher Cyclopedia Corporations* is quoted with approval.

See the following statement in 16 *Fletcher Cyclopedia Corporations* 894, paragraph 8145:

“If the existence of a corporation is continued by statute for a definite or indefinite time, for the purpose of winding up its affairs, and there is no statute making its officers its statutory trustees, and no liquidator or receiver has been appointed, actions by or against the corporation after dissolution should be brought in the name of the corporation \* \* \*.”

The Arizona statute, Section 53-308, *Arizona Code* 1939, was construed by the United States Court of



Claims in the case of *Continental Oil Co. v. United States*, 14 Fed. Sup. 533. In this case, the Continental Oil Company, an Arizona corporation, was dissolved in 1922. Some two years after its dissolution, the Commissioner of Internal Revenue mailed a thirty-day letter to the corporation, proposing the assessment of a tax deficiency. The corporation, acting through its president and secretary, signed a waiver extending the period of assessment. The assessment was sustained by the Board of Tax Appeals, and this case arose when the United States attempted to collect the tax from the successor of the Arizona corporation. The defendant contended that after the dissolution of the corporation, it ceased to exist, and that the waivers signed by its officers were wholly void. The Court cited Section 53-308, *Arizona Code 1939*, and said:

“Under the provisions of this statute the Mutual Oil Company of Arizona continued to exist after dissolution for the specific purpose of closing up its business. To the extent necessary to accomplish that purpose, its corporate powers remained unimpaired and it could perform in the corporate name any act necessary to that end.”

The Court went on to say, at page 538:

“The Arizona statutes, unlike the statutes of most of the States in that respect, make no provisions as to who shall act for a dissolved corporation in closing up its business, and the decree of the court dissolving the Mutual Oil Company of Arizona does not designate the liquidating trustees. In this situation, the only persons who could act



on behalf of the dissolved corporation, in closing up its business, it still being a going concern for that particular business, would be its authorized officials at the date of dissolution.”

In the case last cited, the same construction is placed upon the Arizona statute as the Iowa Courts in the cases cited herein placed upon the statutes of Iowa.

The general rule is that service of process may be had upon those agents of a corporation upon whom service could have been made prior to corporate dissolution. See

19 *C.J.S.* 1567;

47 *A.L.R.* 1549;

16 *Fletcher Cyclopedia Corporations* 895, paragraph 8146.

By implication, the same rule is declared to exist by the Supreme Court of Arizona in *Southwestern Metals Co. v. Snedaker*, 59 Ariz. 374, 129 P. (2d) 314. In this case, the validity of a judgment obtained against the dissolved corporation was involved. Service was made by publication and it was contended that this did not give the Court jurisdiction, since service should have been made upon the statutory agent. The Court held that since the statutory agent had, in fact, resigned, service was properly made by publication. It appears by direct implication that if the agent had not resigned, it would have been necessary to serve him.

The same rule was enunciated by the United States Court of Claims, construing the Arizona statute in

*Continental Oil Company v. United States*, supra, in which the Court pointed out that where the statute is silent as to who shall act for the corporation, the authorized officials at the date of dissolution retain their authority during the winding-up process.

Clearly, appellant contends, the Arizona statute abrogating the common law rule contemplated service of process under the circumstances in the instant case. Statutes abrogating the common law are usual in these days of many domestic and foreign corporations. It is stated in 16 *Fletcher Cyclopedia Corporations* 916:

“Statutes for winding up the affairs of dissolved corporations are embodiments of equitable doctrines and afford legal remedy where there was none. They are remedial and should receive liberal construction.”

Certainly no domestic corporation can, under Arizona statutes, voluntarily dissolve without satisfying its creditors. The attempted withdrawal of appellee is the equivalent of voluntary dissolution. Appellee qualified under the laws of Arizona to build the mill for appellant, and appellee well knew a claim was pending against it for faulty construction when it withdrew from doing business in Arizona and cancelled the appointment of its statutory agent. It is abhorrent to the law and the Courts of Arizona to contend that appellee can so lightly shove aside its contractual obligations.

It is provided by Section 5 of Article 14 of the *Arizona Constitution* that:

“No corporation organized outside of the limits of this state shall be allowed to transact business within this state on more favorable conditions than are prescribed by law for similar corporations organized under the laws of this state; and no foreign corporation shall be permitted to transact business within this state unless said foreign corporation is by the laws of the country, state, or territory under which it is formed permitted to transact a like business in such country, state, or territory.”

By the great weight of authority, the general rule is that if a statute requires as a condition precedent to the doing of business in the state by a foreign corporation, it shall designate an agent in the state upon whom process may be served in actions against it, the withdrawal of the corporation from the state and the formal revocation of the authority of its agent in the state does not revoke the authority of the agent to receive service of process in an action on a liability arising in the state out of the business done by the foreign corporation therein.

Section 53-801, *Arizona Code 1939* (a copy of which appears in the appendix to this brief) sets forth the requirements that a foreign corporation must meet to be qualified and licensed to do business in Arizona, and, among these, is, “appoint in writing, over the hand of its president or other chief officer, attested by its secretary, a statutory agent in each county in this state in which such corporation proposes to carry on any business as required of domestic corporations.”

The West Virginia case of *Frazier v. Steel & Tube Co.*, decided April 6, 1926, reported in 132 S. E. 723 and in 45 A.L.R., 1442, squarely supports the above statement of the general rule and the position of appellant on this appeal. In the opinion the leading cases are cited and discussed. We refrain from quoting from the decision because it is in itself a brief upon this subject, and the reading of the opinion is suggested. On this subject there appears following this case an annotation at pages 1447 to 1456 under the title, "Cessation by Foreign Corporation of Business Within State as Affecting Designation of Agent for Service of Process." See also *A.L.R. Blue Book of Supplemental Decisions*, Permanent Volume, and 1947 Second Issue for cases arising since the annotation in 45 A.L.R. above referred to.

No doubt, the above West Virginia case and the annotations referred to will convince the Court that the position of appellant is sound.

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**SPECIFICATION OF ERROR NO. 2. THE QUASHING OF SERVICE AND RETURN OF PROCESS UPON ARIZONA CORPORATION COMMISSION.**

Service of process may be made upon a foreign corporation that has qualified to do business in Arizona after its withdrawal of doing business in Arizona and after it has revoked the appointment of its statutory agent in Arizona by service upon the Arizona Corporation Commission, in an action involving acts of business transacted in the state be-



fore withdrawal, under the Constitution of Arizona and statutory enactments.

It is provided by Section 5 of Article 14 of the Constitution of Arizona (quoted in full in this brief, *supra*), in substance, that a foreign corporation cannot do business in Arizona upon more favorable conditions than are prescribed by law for similar corporations organized under the laws of the State of Arizona.

It is provided by Section 53-804, *Arizona Code 1939* (copied in full in the appendix to this brief) in substance, that a foreign corporation, upon complying with the provisions of the Arizona laws shall "have and enjoy the same rights and privileges held and enjoyed by a like domestic corporation."

Section 21-314, *Arizona Code 1939* (quoted in full in the appendix to this brief) provides that "when a domestic corporation does not have an officer or agent in this state upon whom legal service of process can be made, summons may be served upon such corporation by depositing two (2) copies thereof in the office of the Corporation Commission, which shall be deemed personal service upon such corporation."

If the officers of an Arizona domestic corporation were to revoke the appointment of its statutory agent, and upon doing so, each officer of said domestic corporation upon whom process might be served removed himself from the State of Arizona, certainly process on the domestic corporation could be had by serving the Arizona Corporation Commission in an action



like the instant case. Since an Arizona domestic corporation could be so served under the above constitutional and statutory provisions, appellee was subject to such service.

In the West Virginia case of *Frazier v. Steel & Tube Co.*, supra, this second basis of service is considered, and appellant's position sustained. We quote from the opinion:

"Upon complying with certain conditions, they are granted the same rights, powers and privileges and subjected to the same regulations, restrictions and liabilities that are conferred and imposed on corporations chartered under the laws of this state."

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### CONCLUSION.

We, therefore, earnestly urge and respectfully submit that the orders quashing service and return of process should be vacated and set aside, and the service of process upon appellee declared good and valid service.

Respectfully submitted,  
 STOCKTON & KARAM,  
 FRED J. ELLIOTT,  
 FULBRIGHT, CROOKER, FREEMAN & BATES,  
 By HENDERSON STOCKTON,  
*Attorneys for Appellant.*

(Appendix Follows.)

## **Appendix.**



## Appendix

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Section 53-308, *Arizona Code 1939*. "May wind up business.

Corporations whose charters have expired, or which have been dissolved by the voluntary act of the stockholders, may continue to act for the purpose of winding up their affairs."

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Section 53-801, *Arizona Code 1939*. "Requirements to do business in this state—corporations excepted.

Any foreign corporation, before entering upon, doing, or transacting any business, enterprise, or occupation, in this state shall:

File a certified and authenticated copy of its articles of incorporation or charter with the corporation commission of this state;

Publish its articles of incorporation and file affidavit thereof as required of domestic corporations;

Appoint in writing, over the hand of its president or other chief officer, attested by its secretary, a statutory agent in each county in this state in which such corporation proposes to carry on any business as required of domestic corporations;

Pay a license fee of fifteen dollars (\$15.00) to the corporation commission, and obtain from said cor-

poration commission a license to do business in this state.

This section, however, shall not apply to insurance corporations, nor to any foreign corporation, the only business transaction of which, within the state, shall be the loaning of funds to religious, social or benevolent associations, or corporations organized for purposes other than profit.”

---

Section 53-804, *Arizona Code 1939*. “Rights upon compliance.

Upon complying with the provisions of this article any foreign corporation shall have and enjoy the same rights and privileges held and enjoyed by a like domestic corporation. No alien corporation hereafter shall ever own or hold any land within the state of Arizona. No foreign corporation shall hereafter be appointed to act as executor, administrator, trustee, guardian of the estate of a minor or incompetent person, or in any other fiduciary capacity except in the capacity of testamentary trustees.”

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Section 21-314, *Arizona Code 1939*. “Service on domestic corporation having no agent.

When a domestic corporation does not have an officer or agent in this state upon whom legal service of process can be made, summons may be served upon such corporation by depositing two (2) copies



thereof in the office of the corporation commission which shall be deemed personal service on such corporation. The return of the sheriff of the county in which the action or proceeding is brought that after diligent search or inquiry he has been unable to find any officer or agent of such corporation upon whom process may be served, shall be *prima facie* evidence that such corporation does not have such an officer or agent in this state. The corporation commission shall file one of said copies in its office and immediately mail the other copy, postage prepaid, to the office of the corporation, or to the president, secretary, or any director or officer of such corporation as may appear or be ascertained by the corporation commission from the articles of incorporation or other papers on file in its office, or otherwise.”

---

Section 5, Article 14, *Constitution of Arizona.*

“Foreign Corporations.

No corporation organized outside of the limits of this state shall be allowed to transact business within this state on more favorable conditions than are prescribed by law for similar corporations organized under the laws of this state; and no foreign corporation shall be permitted to transact business within this state unless said foreign corporation is by the laws of the country, state, or territory under which it is formed permitted to transact a like business in such country, state, or territory.”



No. 11,853

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

---

ARIZONA BARITE COMPANY  
(a corporation),

*Appellant,*

vs.

WESTERN-KNAPP ENGINEERING Co.  
(a corporation),

*Appellee.*

BRIEF FOR APPELLEE.

---

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No. 11,853

IN THE

**United States Circuit Court of Appeals**

**For the Ninth Circuit**

---

ARIZONA BARITE COMPANY

(a corporation),

*Appellant,*

vs.

WESTERN-KNAPP ENGINEERING Co.

(a corporation),

*Appellee.*

---

**BRIEF FOR APPELLEE.**

---

**STATEMENT OF JURISDICTION.**

This is an appeal from two orders of the United States District Court for the District of Arizona, one entered October 6, 1947 (Tr. p. 27), quashing service and return of process (Tr. p. 14), on one J. P. Keller, formerly statutory agent for the appellee in Arizona for the service of process, the other entered December 29, 1947 (Tr. p. 32), quashing service and return of process (Tr. p. 29) on the Secretary of the Arizona Corporation Commission.

**BRIEF OF ARGUMENT.**

Appellee argues (1) that this Court is without jurisdiction to entertain and hear an appeal from the two orders quashing service and return because they are not final; (2) that the attempted service on the statutory agent of appellee was ineffectual because the agent's designation and authority had been revoked and the appellee corporation dissolved in the state of its domicile before such service; and (3) that, for the same reason of dissolution, the attempted service on the Arizona Corporation Commission was ineffectual, and for the further reason that the attempted service on that commission did not comply with the Arizona statute under which the attempted service was made.

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**ARGUMENT.****(1) JURISDICTION.**

The orders appealed from (quashing service and return of process) are not final orders within the meaning of Section 128 of the Judicial Code, as amended, 28 USCA, Section 225, and do not come within the exceptions of Section 227, thereof and therefore are not appealable to this Court.

The orders do not terminate the litigation between the parties on the merits of the case, so that if there should be an affirmance, the court below would have nothing to do but to execute the judgment or decree it had already rendered, and are therefore not final.

*O'Brien, Manual of Federal Appellate Procedure*, Third Edition, 1941, p. 25, (note 3);



*Georgia Ry. etc. Co. v. Decatur*, 262 U. S. 432,  
437, 43 S. Ct. 613, 67 L. Ed. 1065;

*Cole v. Rustgard* (CCA 9), 68 Fed. (2d) 316.

In the last cited case, this Court said that where service has been quashed, the appellant may have alias summons issued and proceed with his suit.

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**(2) SPECIFICATION OF ERROR NO. 1.—THE QUASHING OF SERVICE AND RETURN OF PROCESS UPON STATUTORY AGENT.**

For the purpose of argument under this Number (2) and the following Number (3), it may be reiterated that a corporation, in almost all the states after dissolution remains in existence for the purpose of winding up its affairs. This is so in California, the domicile of the appellee corporation, by elaborate provisions in Sections 399, 400, and 400a of the California Civil Code. And in Arizona by Section 53-308 of Arizona Code Annotated, 1939, "corporations whose charters have expired, or which have been dissolved by the voluntary act of the stockholders, may continue to act for the purpose of winding up their affairs."

But statutes providing for the continued existence of a dissolved corporation for purposes of suit do not apply to foreign corporations.

*Coffin v. Harris-Woodbury Lumber Co.*, 187  
Fed. 1005, affirming 179 Fed. 257;

*Robinson v. Mutual Reserve Life Ins. Co.*, 182  
Fed. 850;

- Dundee Mortgage & Trust Inv. Co. v. Hughes*,  
89 Fed. 182;  
*Marion Phosphate Co. v. Perry*, 74 Fed. 425,  
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*Ex parte Davis*, 250 Ala. 668, 162 So. 306;  
*Fidelity Metals Corp. v. Risley* (Cal. App.),  
175 Pac. (2d) 592.

And a corporation, after having been dissolved in the state of its creation, cannot be sued in another state.

- Mumma v. Potomac Co.*, 8 Pet. 281, 284; 8  
L. Ed. 945;  
*Robinson v. Mutual Reserve Fund Life Ins. Co.*,  
supra;  
*Marion Phosphate Co. v. Perry*, supra;  
*Fitts v. National Life Ass'n*, supra (even  
though there is property within the state);  
*Remington & Sons v. Samana Bay Co.*, 140  
Mass. 494, 5 N. E. 292;  
*Martyne v. American Union Fire Ins. Co. of  
Philadelphia*, 216 N. Y. 183, 110 N. E. 502;

*Wamsley v. H. L. Horton & Co.*, supra;  
*Merchants Loan & Trust Co. v. Clair*, 107 N.Y.  
 663, 14 N. E. 414;  
*Fidelity Metals Corp. v. Risley*, supra;  
*Chaplin v. Selznick*, 293 N. Y. 529, 58 N. E.  
 (2d) 719.

Ordinarily a foreign corporation may revoke its agency in the state and thereafter process cannot be served upon the agent.

*United etc., Co. v. Wisconsin, etc. Co.*, 44 Mont.  
 343, 119 Pac. 796.

This case, last cited, was decided under a statute that provided that the designation by a foreign corporation of an agent for the service of process might be revoked. The Arizona statute makes no such specific provision, but it does allude to such revocation. Section 53-307, Arizona Code Annotated 1939, provides that "Whenever any corporation \* \* \* shall revoke or attempt to revoke the appointment of the statutory agent without duly appointing another in his place; \* \* \* the attorney general or such corporation, or any stockholder or officer thereof may maintain an action" to dissolve the corporation.

This Arizona statute above quoted refers to domestic corporations, but the statute, Section 53-801, relating to foreign corporations, requires any foreign corporation to appoint "a statutory agent", without defining a statutory agent, but using the same phrase as in the domestic corporation law, in the same way. And it will be noted Section 53-307, supra, applies to "*any* corporation".

We find no Arizona decision directly in point. But the Arizona Court, in *Southwest Metals Co. v. Snedaker*, 59 Ariz. 374, 386-7, 129 P. (2d) 314 (also cited by appellant), came close to it. The Court says: "A more serious question involved, however, is whether the agent, having been duly appointed, may resign and refuse to act in that capacity, so that notwithstanding the appointment has never been formally revoked, a publication of summons is valid. (Note: Service was attempted by publication, one of the requisites of which was that the corporation had no legally appointed and constituted agent in the state.) There are a number of cases where this question has arisen. \* \* \* Our statute, however, is silent upon the question as to how the agent may resign or be removed. Section 53-305, Arizona Code 1939. In the cases of *Gerrick & Gerrick Co. v. Llewellyn Iron Works*, 105 Wash. 98, 177 Pac. 692, and *Forrest v. Pittsburgh Bridge Co.* (C.C.A. 7), 116 Fed. 357, it was held, in substance, that where the statute did not expressly provide a manner in which the revocation of the authority of the statutory agent might be made, when the agent resigned or refused to act, service upon the agent was not either necessary or, indeed, valid. The Court held that J. H. Morgan, the designated agent, having refused to act, the corporation had no agent in the state, legally appointed and constituted.

If the corporation had no statutory agent when the agent resigned or refused to act, it would have none when his appointment was revoked, and the Arizona



statute, 53-307 supra, contemplates revocation else it would be meaningless. And the Arizona Supreme Court, in *Southwest Metals Co. v. Snedaker* above, implied that if the appointment of agent had been formally revoked the plaintiff would have had a basis for service by publication, having one of the requisites, to-wit, lack of an agent.

The Supreme Court of the United States has held that where designation of a statutory agent for service of process had been revoked and his authority terminated by the foreign corporation by a written instrument filed with the proper state officer, service could not thereafter be made upon the agent. The case was *People's Tobacco Company v. American Tobacco Company*, 246 U. S. 79, 62 L. Ed. 587, 38 S. Ct. 233, Ann. Cas. 1918C 537. It was a suit for treble damages under the Sherman Act of 1890. Suit was begun January 4, 1912, in the District Court of the United States for the Eastern District of Louisiana against the American Tobacco Co., a New York corporation. Summons was served upon one W. R. Irby on January 5, 1912. Up to November 30, 1911, the American Tobacco Co., the defendant, had a factory in New Orleans. It had filed in the office of the Secretary of State of the State of Louisiana an appointment of W. R. Irby as agent upon whom service of process might be made as was required by Louisiana state law. The defendant, American Tobacco Co., had been dissolved on November 16, 1911, and had revoked the authority of W. R. Irby as its resident agent by an instrument in writing filed on December 15, 1911,



in the office of the Secretary of State of Louisiana. W. R. Irby had ceased to be employed by the tobacco company after December 1, 1911. The Supreme Court of the United States, speaking through Mr. Justice Day, said, "We agree with the District Court that Irby, at the time of the attempted service upon him, was not the authorized agent of the American Tobacco Company. \* \* \* We reach the conclusion that the District Court did not err in quashing the attempted service made upon it."

In the Iowa cases cited by appellant on page 12 of its brief, no question of foreign corporations appears to be involved. But in the Arizona case cited on page 13, there was such a question. And according to appellant's interpretation of that case (*Miller Rubber Co. v. Peggs*, 60 Ariz. 157, 132 P. (2d) 439), "the Court applied the rule that the power of a corporation to sue after its dissolution depends upon the laws of the state of its incorporation". Likewise, the liability to be sued after its dissolution would depend upon the laws of the state of its incorporation,—in the case of appellee, the State of California, not the State of Arizona, and this despite Article 14, Section 5, of the Constitution of Arizona (p. iii, Appendix, Appellant's Brief).

If the laws of the state of its incorporation determined the appellee's liability to be sued, *a fortiori* the laws of the state of its incorporation would determine the persons to be served. Appellant's case of *Continental Oil Co. v. United States*, 14 Fed. Supp. 533, cited on page 14 of its brief and quoted from at the

top of page 15 implied that those persons would be the corporation's authorized officials at the date of dissolution. Certainly Mr. J. P. Keller, whose appointment had been revoked on June 6, 1946, was not an authorized official at the date of dissolution of appellee (January 3, 1947), or thereafter.

Appellant's brief on page 16 makes the statement "Certainly no domestic corporation can, under Arizona statutes, voluntarily dissolve without satisfying its creditors." Aside from the fact that appellant is not yet a creditor of the appellee, a corporation of the State of California, whose laws govern appellee and its dissolution, cannot voluntarily dissolve without satisfying its creditors. In this connection reference is made to the Certificate of Winding Up and Dissolution of Western-Knapp Engineering Co., a California corporation (Tr. pp. 23, 24), reciting notice of winding up to "all its known creditors and claimants" in accordance with Section 400a of the Civil Code, and reciting that its known debts and liabilities were actually paid or adequately provided for. Under this state of facts, it does not follow that appellee withdrew from Arizona as a part of a design calculated to avoid its obligation (if any) (Tr. p. 3) or to lightly shove aside its contractual obligations. (Appellee's Brief, p. 16.) Many reasons exist for corporate dissolutions, for example, tax reasons. This argument of appellee is a *non sequitur*, except for its allegation in its complaint on page 3 of the transcript, as yet unanswered, of course, by the defendant-appellee.

Appellant's case of *Frazier v. Steel & Tube Co.*, cited and discussed on page 18 of its brief, as we read it, held that revocation of an agent's authority does not take place by withdrawal from the state. The case is not in point as to facts, for in the instant case, the agent's authority was revoked by an instrument in writing filed with the Corporation Commission, long before dissolution. Moreover in the instant case the defendant foreign corporation was dissolved and had ceased to exist. In the *Frazier v. Steel Co.* case, the defendant had not been dissolved. It was still in existence.

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(3) SPECIFICATION OF ERROR NO. 2.—THE QUASHING OF SERVICE AND RETURN OF PROCESS UPON ARIZONA CORPORATION COMMISSION.

In *Robinson v. Mutual Reserve Life Ins. Co.*, 182 Fed. 850, 855, the Court said:

“Cases which hold that service upon an official agent of the state brings the company into court, even after it has ceased to do business in the state, like *Woodward v. Mutual Reserve Co.*, 178 N. Y. 485; 71 N. E. 10; 102 Am. St. Rep. 519 affirmed in 200 U. S. 612, 26 Sup. Ct. 752, 50 L. Ed. 620, do not apply to a company which has ceased to exist.”

The *Woodward* case was cited by the West Virginia Court in support of *Frazier v. Steel & Tube Co.*, which is so heavily relied on by appellant. In the *Frazier* case the defendant corporation merely withdrew from the state; it had not ceased to exist.

It has been held, however, in Louisiana that even withdrawal by a foreign corporation would be sufficient to vitiate service upon the Secretary of State of Louisiana. *Gouner v. Missouri Valley Bridge & Iron Company*, 123 La. 964, 49 So. 657.

But there are other reasons why the Court did not err in quashing service upon the Corporation Commission of Arizona. The attempt to serve that commission was made under Sec. 21-314, Arizona Code 1939. (See p. 19 of Appellant's brief and pp. ii and iii of the Appendix thereto.) That section provides that "When a domestic corporation does not have an officer or agent in this state upon whom legal service of process can be made" service may be made upon the Commission. This sort of service is bottomed upon a matter of fact, namely, that the corporation "does not have an officer or agent, etc." and the section goes on to provide how that fact shall be established, at least prima facie, by the return of the sheriff that diligent search or inquiry failed to turn up any such officer or agent. The return (Tr. p. 29) here fails to show any such fact in any way.

---

#### **(4) SPECIFICATIONS OF ERROR NO. 1 AND NO. 2 GENERALLY.**

Appellant argues from Article 14, Sec. 5 of the Arizona Constitution, that the Appellee had an agent in Arizona on whom process could be served. Under the same article and section, it assumes as a matter of fact that appellee did not have an agent in Ari-



zona on whom process could be served. As we understand it, the claim is that the Arizona constitution makes ineffectual any withdrawal, dissolution, or revocation so far as the statutory agent is concerned, and that therefore the appellee still has an agent in the state upon whom process was effectually served. But on the other hand, the claim is that the Arizona constitution makes a domestic corporation out of the appellee, and that, as a matter of fact, the appellee had no agent upon whom legal service of process could be made.

If the first claim is true, Sec. 21-314 of the Arizona Code cannot apply, because it applies only where there is no agent. If the second claim is true, it was not shown as a matter of fact that the appellee did not have an officer or agent within the state.

It is doubtful that the Section 5, Article 14 of the Arizona Constitution upon which appellant bottoms its case applies at all. That article seeks to put foreign corporations under the same conditions as domestic corporations as to transacting business. But does transacting business include litigation?

In the Arizona case of *Martin v. Bankers Trust Company*, 18 Ariz. 55, 62; 156 Pac. 87, 90, the Arizona Supreme Court said: "The prosecution of a suit in the court of this state is not carrying on a business, enterprise or occupation in this state within the meaning of the statutory provision" for qualification in Arizona of a foreign corporation, citing 19 Cyc. 1279-80, which on page 1280 under the letter "I"



note 13 states that defending suits does not constitute doing business in a state. See also 20 C.J.S., p. 52, Corporations, Sec. 1836, n. 27, and p. 83, Sec. 1859.

That the prosecution of a suit was not doing business was held under an amendment to the statute adding the words "do or transact" any business, in *McKee v. Stewart Land & Livestock Co.*, 28 Ariz. 511, 238 Pac. 326, and in *Monaghan & Murphy Bank v. Davis*, 27 Ariz. 532, 537; 234 Pac. 818, 820.

Although plaintiff's complaint states that appellee withdrew from doing business in Arizona and revoked the appointment of its statutory agent on May 6, 1946, (Tr. p. 3), the record shows that the withdrawal and revocation was not filed in the office of the Arizona Corporation Commission until June 6, 1946 (Tr. pp. 25, 26), more than a month after appellant's cause of action arose, (Tr. p. 8), and that appellee corporation was not finally dissolved until December 31, 1946, when the certificate of dissolution was signed (Tr. p. 24), or January 3, 1947, when it was filed in the office of the Secretary of State of the State of California, (Tr. p. 23). Appellant thus had ample time, even under its own theory of the case, to have asserted its cause of action and to have served J. P. Keller, the agent, before the appellee corporation ceased to exist. Appellant still may assert its alleged cause of action in or under the laws of the State of California as pointed out above and has not yet begun to exhaust its remedies or the possibility of proper service of process.

We therefore respectfully submit that the appeal herein should be dismissed or that the orders appealed from should be affirmed.

Dated, May 17, 1948.

Respectfully submitted,

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No. 11,853

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

---

ARIZONA BARITE COMPANY

(a corporation),

vs.

*Appellant,*

WESTERN-KNAPP ENGINEERING Co.,

(a corporation),

*Appellee.*

REPLY BRIEF FOR APPELLANT.

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IN THE

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ARIZONA BARITE COMPANY

(a corporation),

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WESTERN-KNAPP ENGINEERING Co.,

(a corporation),

*Appellant,*

*Appellee.*

## REPLY BRIEF FOR APPELLANT.

---

### BRIEF OF ARGUMENT.

Appellant, in reply, argues: (1) that this Court has jurisdiction to entertain and hear an appeal in this matter because the two orders quashing service and return of summons under the facts of this case, as shown from the record, amount to a final decision; (2) that the service of summons on the statutory agent of appellee was effectual because the agent's designation and authority was irrevocable for the purpose of service of process upon appellee upon causes of action arising in the State of Arizona in favor of citizens of that state, and the fact that appellee corporation consummated a limited dissolution in the state of its

domicile before such service would not preclude the commencement and prosecution of this action; and (3) that after the trial Court had granted appellee's motion to quash service of process upon the statutory agent of appellee, the appellant caused service of summons to be made upon the Arizona Corporation Commission under the law of the State of Arizona in order to exhaust its rights under the laws of Arizona, and that, upon the record, such service made complied with the statutes of Arizona.

---

### **ARGUMENT.**

#### **(1) JURISDICTION.**

It is conclusively shown by the record in this case (appellee's affidavit in support of motion to quash service and return of process, T.R. 21-22) that appellee had no officer, employee, or other agent within the State of Arizona upon whom service of process could be made other than its statutory agent, or the Arizona Corporation Commission; that when service was made upon the latter, all possible means of service of process upon the appellee (defendant) within the jurisdiction of the United States District Court in and for the District of Arizona was exhausted, and if the orders of the Court quashing the service and return of process made within the trial Court's jurisdiction are sustained, then there is nothing left for the trial Court to do but to dismiss this action. Under this state of facts, the orders of the trial Court become a final decision in this case.



The case of *Cole v. Rustgard* (CCA 9), 68 Fed. (2d) 316, cited by appellee, contains an entirely different factual situation than in the present case. The case of *In re Melekov* (CCA 9), 114 Fed. (2d) 727, contains a factual situation analogous to the present case. In that case it appeared that none of the twelve defendants could be served with process within the district of the trial Court and it was held that an order quashing service and return of process was a final decision and, therefore, mandamus did not lie to compel the trial Court to hear the matter. Attention is called to the case of *Henderson v. Richardson Co.*, 25 Fed. (2d) 225, which also contained a factual situation analogous to the present case and the distinction is made between that case and the *Cole v. Rustgard* case, *supra*, and other cases cited in support thereof.

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**(2) SPECIFICATION OF ERROR NO. 1.—THE QUASHING OF SERVICE AND RETURN OF PROCESS UPON STATUTORY AGENT.**

Under the above specification of error, appellee takes the position that after its withdrawal from the State of Arizona and its dissolution in the state of its domicile (admitted to be a limited dissolution under the laws of California) that it can no longer be sued within the State of Arizona where it was admitted to carry on business out of which this litigation arises. In the first paragraph of appellee's brief under this specification of error on page 3, appellee admits that both under the laws of California and the laws of Arizona a corporation is not absolutely dissolved but

its existence is continued for the purpose of winding up its affairs.

While appellee questions the effect of the Arizona Constitutional and Statutory Provisions, any doubt in this respect has been dispelled by the enactment of Section 53-309 A.C.A. 1939 by the regular session of the Arizona State Legislature of 1947 providing for suits by and against dissolved corporation. (See 1947 Cumulative Pocket Supplement to Arizona Code 1939. This enactment became effective ninety days after its approval by the Governor on March 25, 1947. Statute quoted in appendix hereto.) This statute was recently construed by the Supreme Court of Arizona in the case of *Bates v. Mitchell* (Arizona), 192 Pac. (2d) 720, 722 (advance sheets), in which the Court says specifically that the common law rule has been abrogated in this state.

We have read carefully each of the cases cited by appellee to this point and we do not believe the same are applicable or helpful in this case. Nor do we find that the cases support the propositions of law as stated. In each of the cases cited, the foreign corporation sought to be sued was shown to be absolutely dissolved and dead for all purposes. Here we do not have such a situation. The appellee by the force of Section 399 of the California Civil Code, quoted in appendix hereto, is continued in existence for the purpose of winding up its affairs which includes the right to sue and be sued. We, therefore, do not need to depend upon the Statute of Arizona to continue the existence of the appellee corporation for this pur-

pose. In the case of *Partan v. Niemi*, 192 N.E. 527 (Mass.), Annotated 97 A.L.R. 483, the continued existence of a dissolved corporation for the purpose of winding up its affairs is clearly distinguished from the dissolution of a corporation absolutely and by the great weight of modern authority under applicable statutory provisions, the limited dissolution of a corporation continues the existence of such corporation for the purpose of suits and actions which may be brought by or against it in the corporate name. 97 A.L.R. 483, Note at 499 (prolonging power to sue and be sued); *Lusk Lumber Co. v. Independent Producers Consol.*, 43 Wyo. 191, 299 Pac. 1044; *Mieyr v. Federal Surety Co.* (1933), 94 Mont. 508, 23 Pac. (2d) 959; *Ray v. J. I. Case Plow Works Co.* (Okla.), 37 Pac. (2d) 598; *The Greyhound* (C.C.A. 2), 68 Fed. (2d) 832, 834.

The case of *Frazier v. Steel and Tube Co.*, 132 S.E. 723, 45 A.L.R. 1442, and annotated cases clearly shows the law to be that where a foreign corporation qualifies to do business in a state having statutory provisions such as found in Arizona and appoints a statutory agent therein, the appointment of such agent is irrevocable and actions by citizens of that state upon causes of action arising in that state may be brought there and service of process be made upon the statutory agent after the withdrawal of such foreign corporation from the state.

The question of continuing or reviving actions by or against a corporation after its dissolution depends upon the laws of the state in which the action is

pending, and a foreign statute relating thereto is of no avail. 1 *C. J.* 137; *Sturges v. Vanderbilt*, 73 N.Y. 384; *Sinnott v. Hanan*, 156 App. Div. 323, 141 N.Y.S. 505; *Wamsley v. Horton*, 12 App. Div. 312, 42 N.Y.S. 767; *Mieyr v. Federal Surety Co.* (1933), 94 Mont. 508, 23 Pac. (2d) 959.

---

(3) SPECIFICATION OF ERROR NO. 2—THE QUASHING OF SERVICE AND RETURN OF PROCESS UPON ARIZONA CORPORATION COMMISSION.

Appellee argues that notwithstanding the fact that the trial Court had granted its motion to quash service of process upon its statutory agent in Arizona that the service made upon the Arizona Corporation Commission is ineffective because the officer making the return on that service did not make affidavit that the appellee did not have an officer or an agent within the state. It is appellant's position that the purpose of the statute in this regard has been fully met under the facts established by affidavits filed by appellee and as shown by the record in this case. In order that there be no question about the appellant having exhausted all possible means of service of process and without waiving its position that the service upon the statutory agent of appellee was effective, it had process also served upon the Arizona Corporation Commission.



(4) SPECIFICATIONS OF ERROR NO 1 AND NO. 2 GENERALLY.

Appellee in its argument under this heading is apparently attempting to place appellant in a dilemma. Without entering into the refined pleasure of gymnastic argument suffice it to say the appellant's first position is that service upon the statutory agent of appellee was good and effective service; however, without waiving its position in this regard and out of caution and with the thought that it might be necessary for the purposes of this case, appellant also had process served upon the Arizona Corporation Commission. If this service upon the Arizona Corporation Commission added nothing to the service upon the statutory agent, it took nothing away from that service. We do not believe this to be an unusual practice and in the event it should be determined that appellee did not have a statutory agent within the State of Arizona upon whom process could be served in this action, then appellee will still be required to answer a suit in this state upon service upon the Arizona Corporation Commission.

It is appellant's position that it should not under the law be required to bring appellee to bay in the state of its domicile and there enforce appellee's alleged liability but that it is entitled to prosecute its action in the State of Arizona where the cause of action arose and that the withdrawal of appellee from the state and its hurried limited dissolution within the state of its domicile was ineffective to revoke its statutory agent's authority within Arizona or to absolutely destroy its life so as to make it incapable of



being sued upon an alleged liability arising in the State of Arizona.

---

**CONCLUSION.**

In conclusion, we respectfully submit that the orders quashing the service and return of process should be vacated and the appellee be required to answer appellant's complaint.

Respectfully submitted,  
STOCKTON & KARAM,  
FRED J. ELLIOTT,  
FULBRIGHT, CROOKER, FREEMAN & BATES,  
HENDERSON STOCKTON,  
*Attorneys for Appellant.*

**(Appendix Follows.)**

## **Appendix.**



## Appendix

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Sec. 53-309, Arizona Code 1939 (1947 Cumulative Pocket Supplement to Arizona Code, 1939).

“Continued existence for purpose of suit.—As used in this section:

‘Dissolved corporation’ means a corporation which has ceased to exist.

‘dissolution’ means any termination of existence.

‘suit’ means a proceeding by which a legal or equitable remedy is pursued in a court of record.

(b) A dissolved corporation may be sued in its corporate name upon any cause of action which, but for such dissolution, would have accrued against it. No suit, action or proceeding to which a dissolved corporation is a party at the time of dissolution, shall abate or be discontinued by reason thereof. Execution or process may issue against a dissolved corporation and any order, judgment or decree of court may be enforced against it.

(c) Service of process against a dissolved corporation shall be made by delivering a copy of the summons and complaint, in the order designated, to:

1. any one of the last acting officers or directors;
2. a receiver or person having charge of the assets;
3. a person who, at the time of dissolution, was a duly appointed agent for the service of process or a stockholder, or,
4. if none of such persons can be found, the corporation commission, as prescribed by

section 21-314. A copy of the summons shall be published as provided by section 21-306.

(d) When there is no officer or agent competent to execute on behalf of a dissolving corporation a deed or other instrument relating to property either real or personal, or when a dissolved corporation or its officers do not comply with a judgment or decree of court, or when a court deems it proper, a judgment or decree shall contain a self-executing provision which shall have the effect of the deed or instrument ordered to be executed, or the court may appoint a master to execute the same in the name of the dissolved corporation.

(e) This section shall not be construed to terminate the authority of persons appointed under the provisions of sections 53-306, 53-307 and 53-308. The superior court of the county in which the principal office of a dissolved corporation was located, shall have jurisdiction of suits relating to dissolved corporations. (Code 1939, § 53-309 as added by Laws 1947, ch. 109, § 1, p. 210.)”

\* \* \* \* \*

Sec. 399, California Civil Code. “Continuation of corporation after dissolution: (Omitted assets). A corporation which is dissolved by the expiration of its terms of existence, by forfeiture of existence by order of court, or otherwise, nevertheless shall continue to exist for the purpose of winding up its affairs, prosecuting and defending actions by or against it, and enabling it to collect and discharge obligations,



dispose of and convey its property, and collect and divide its assets, but not for the purpose of continuing business except in so far as necessary for the winding up thereof. No action or proceeding to which a corporation is a party shall abate by the dissolution of such corporation or by reason of proceedings for dissolution and winding up thereof.

Any assets inadvertently or otherwise omitted from the winding up shall continue in the dissolved corporation for the benefit of the persons entitled thereto upon dissolution of the corporation, and on realization shall be distributed accordingly. (Enacted 1872; Repealed by Stats. 1905, p. 563; Added by Stats. 1929, p. 1277; Superseded by Stats. 1931, p. 1762; Added by Stats. 1931, p. 1821; Am. Stat. 1933, p. 1403.)''



No. 11,853

IN THE  
United States Court of Appeals  
For the Ninth Circuit

---

ARIZONA BARITE COMPANY

(a corporation),

vs.

*Appellant,*

WESTERN-KNAPP ENGINEERING CO.

(a corporation),

*Appellee.*

APPELLEE'S PETITION FOR A REHEARING.

---

LESLIE PARRY,

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FILED

DEC - 7 1948

PAUL P. O'BRIEN,



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IN THE

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ARIZONA BARITE COMPANY

(a corporation),

vs.

*Appellant,*

WESTERN-KNAPP ENGINEERING CO.

(a corporation),

*Appellee.*

---

**APPELLEE'S PETITION FOR A REHEARING.**

---

*To the Honorable William Denman, Presiding Judge,  
and to the Honorable Associate Judges of the  
United States Court of Appeals, for the Ninth  
Circuit:*

Comes now Western-Knapp Engineering Company, a corporation, the appellee in the above-entitled cause, and presents this, its petition, for a rehearing of the above-entitled cause, and, in support thereof, respectfully shows:

**I.**

That the above-entitled Court has decided the case according to the wrong principles of law in the following respects, to-wit:

(a) Neither Section 5 nor Section 8 of Article 14 of the Arizona Constitution, upon which the argument of appellant and the opinion of the Court are based, is self-executing.

(b) That Section 21-314 of the Arizona Code Annotated 1939, providing for substituted service on the Corporation Commission of Arizona, applies only to domestic corporations of the State of Arizona, and the service of November 13, 1947, is therefore invalid.

(c) The appointment of an agent, known as the statutory agent, by any corporation in Arizona, either foreign or domestic, is revocable, and the service of April 28, 1947, upon Keller, was therefore invalid, his appointment having been revoked before that date.

(d) That Section 53-309, Arizona Code Annotated 1939, pocket part, was not retroactive. (See Section 1-101, *Arizona Code Annotated* 1939.)

(e) Section 3305 of the California Corporations Code (formerly Civil Code Section 402a) which was in effect when appellee corporation was dissolved, gives appellant a clear guide to service of due process, and the proper parties to be served.

(f) By said Section 3305 and by the other sections of the California Code requiring provision for payment of obligations as a condition precedent to dissolution of corporations, appellant is, as a practical matter, in a position more favorable than under Arizona law, since Arizona law made no provision for service on dissolved corporations and now makes no provision for payment of obligations.

(g) The Supreme Court of the State of Arizona interpreting Sections 21-306 to 21-309 of the Arizona Code has stated that the only proper method of serving a foreign corporation that has no resident agent is by publication.

---

### ARGUMENT.

(a) NEITHER SECTION 5 NOR SECTION 8 OF ARTICLE 14 OF THE ARIZONA CONSTITUTION IS SELF-EXECUTING.

Section 5 provides:

“No corporation organized outside of the limits of this state shall be allowed to transact business in this state on more favorable conditions *than are prescribed by law* for similar corporations organized under the laws of this state.  
\* \* \*” (Emphasis supplied.)

A constitutional provision is not self-executing if there is language indicating that the subject is referred to the legislature for action.

11 *Am. Jur.* p. 692, Constitutional Law, Section 74, note 11.

Where a constitution provides, for example, that debts of corporations shall be secured by the individual liability of the stockholders and *such other means as shall be provided by law*, such provision has been construed as not self-executing because the language used plainly contemplates that legislation is necessary in order to make it effectual.

*Ibid.*, Sec. 75, note 8.



It would seem that the language used in Section 5 of Article 14 of the Arizona Constitution contemplates that the conditions for transacting business by corporations in the state should be provided by law, and that the section was addressed to the legislature rather than to the Courts.

Section 8 provides:

“No domestic or foreign corporation shall do any business in this state without having \* \* \* an authorized agent, or agents, in the state upon whom process may be served. \* \* \*”

This Section 8 is almost identical with the provision on the same subject in the Arkansas Constitution. It was construed to be not self-executing in *St. Louis, A. & T. Co. v. Fire Ass'n of Phila.*, 60 Ark. 325, 30 S.W. 350, 28 L.R.A. 83. At p. 352 of 30 S.W. the Court said:

“The appellant contends that the evidence failed to show that the Commercial Company complied with Section 11, Art. 12, of the constitution. This section declares that ‘no foreign corporation shall do business in this state, except while it maintains therein one or more known places of business and an authorized agent or agents in the same upon whom process may be served’. It is not self-executing. It does not provide how the agent shall be designated, or how the place of business shall be made known. The Commercial Company had no right to say upon what agent process may be served. The legislature alone had the right. Until it exercised it, there was no penalty for the violation of the constitution in that respect.”



This case was decided in 1895. The Arizona Constitution became effective upon the admission of the territory into the Union in 1912, having been formally adopted before that.

Where a constitutional provision has been borrowed from another state after it has been construed by the Court of last resort of such state, the general rule is that the construction in such other state is adopted with the provision.

11 *Am. Jur.* p. 685, Constitutional Law, Sec. 68.

It is not fully apparent that Arizona borrowed this Section 8 from Arkansas, since similar provision was in the constitutions of other states, e.g., California and Utah. But we have found no construction of it in any other state, the Arkansas case being the only one that has come to our attention.

That Section 5 and Section 8 of Article 14 of the Arizona Constitution were assumed to be self-executing is implicit in the argument of appellant and in the decision of this Court, and we respectfully submit that both appellant and the Court erred in making that assumption.

Since the Arizona constitutional provisions are not self-executing, resort must be had to the Arizona statutes.

**(b) SECTION 21-314 OF THE ARIZONA CODE ANNOTATED 1939  
APPLIES ONLY TO DOMESTIC CORPORATIONS OF THE  
STATE OF ARIZONA.**

The statutes of Arizona set out in the opinion of this Court do not include foreign corporations in the same classification as domestic corporations. These statutes mentioned them separately and distinctly and treat of them separately. Even Section 5 and Section 8 of Article 14 of the Arizona Constitution distinguish them.

Section 21-305 of the Arizona Code mentions them separately though it applies the same rule to both.

While Section 53-305 treats of "corporations" without distinguishing between domestic and foreign, Sec. 53-801 treats of foreign corporations only, as do 53-802 and 53-804.

Coming down to Sec. 21-314, this section, providing for service of process by depositing the summons in the office of the Corporation Commission, treats only of domestic corporations and nowhere mentions foreign corporations. No section of the Arizona code makes specific provision for serving a foreign corporation by so depositing the summons with the Corporation Commission.

Since the legislature of Arizona made no provision for service on appellee in such manner, the service of November 13, 1947 was ineffectual.

(c) THE APPOINTMENT OF AN AGENT, KNOWN AS THE STATUTORY AGENT, BY ANY CORPORATION IN ARIZONA, EITHER FOREIGN OR DOMESTIC, IS REVOCABLE.

Cases on this point hold that the appointment of a statutory agent is irrevocable *upon the basis of some language in a statute involved.*

23 *Am. Jur.* p. 535, Foreign Corporations Sec. 514, note 18.

One section of the Arizona statutes, Sec. 53-507, recognizes that the agency of a domestic corporation may be revoked and provides a penalty for revocation, namely dissolution. But no section of the Arizona Code says that the agency of a foreign corporation may not be revoked or that it may be revoked, and no penalty is provided for revoking. The silence of the legislature in executing the constitutional provisions in this respect is significant. And it becomes a matter of pure speculation as to what the legislature intended, if it had any intention at all on this point. It would have been a simple matter for the legislature to have adopted an anti-revocation statute as so many other states have done and on which cases denying the privilege of revocation have been based.

In the absence of a statute on the subject, the agency is revocable. *Williams v. Mutual Reserve Fund L. Assn.* (1907), 145 N.C. 128, 58 N.C. 802, 13 Ann. Cases 51.

- (d) SECTION 53-309, ARIZONA CODE ANNOTATED 1939, POCKET PART, STATING HOW A DISSOLVED CORPORATION MAY BE SERVED IS NOT RETROACTIVE.

Section 1-101 of the same code provides: "No statute is retroactive unless expressly so declared therein." Sec. 53-309 was effective ninety days after March 25, 1947, and nothing in it indicates that it was intended to relate back either to the time of dissolution of appellee corporation or to the beginning of appellant's suit or to the service on Keller, or that it was intended to apply to such suit already begun so as to validate service attempted on November 13, 1947.

In fact its very passage was a persuasive indication of legislative cognizance of the omission in the statutes of any provision relating to service on dissolved corporations.

---

- (e) SECTION 3305 OF THE CALIFORNIA CORPORATIONS CODE (FORMERLY CIVIL CODE, SEC. 402a) WHICH WAS IN EFFECT WHEN APPELLEE CORPORATION WAS DISSOLVED, AND STILL IS IN EFFECT, GIVES APPELLANT A CLEAR GUIDE TO SERVICE OF DUE PROCESS, AND TO THE PROPER PARTIES TO BE SERVED.

This section (of which Sec. 53-309 (c) A.C.A. 1939 is substantially a rescript) gives appellant every facility for the prosecution of its suit. The Section reads:

"Service on dissolved corporation. Summons or process against a dissolved corporation may be served by delivering a copy thereof to an officer, director, or person having charge of its as-



sets, or if no such person can be found, to any person who is, or at the time of dissolution was, an agent for service of process. If no such person can be found summons or process may be served upon the dissolved corporation by delivering a copy thereof to the Secretary of State or an assistant or deputy secretary of state."

Appellant adopted none of the methods thus provided for it. It made no attempt to serve the directors of the appellee J. N. How, J. H. How and Clara How, referred to on page 2 of the Court's opinion.

(f) The Arizona Code requires no provision for payment of outstanding obligations of a corporation dissolving. It made no provision for service upon a dissolved corporation, even though the corporation remained in existence for the purpose of winding up its affairs. The position of the appellant is therefore made more favorable, as a practical matter, than under the very sketchy Arizona laws.

(g) The Supreme Court of Arizona has settled the question before the Court in the case of *D. W. Onan & Sons v. Superior Court*, 179 Pac. (2d) 243. In interpreting Sections 21-306 to 21-309 of the Arizona Code the Court ruled that the only proper method of serving a foreign corporation in an action arising out of business transacted by such corporation within the state, where the foreign corporation had no resident agent or officer within the state, was by publication.

Wherefore, upon the foregoing grounds, it is respectfully urged that this petition for a rehearing



be granted and that the judgment of the District Court be, upon further consideration, confirmed.

Dated, December 1, 1948.

Respectfully submitted,

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HERBERT MALLAMO,

AUGUST P. SHAPRO,

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(SHAPRO & ROTHSCHILD),

*Attorneys for Appellee*

*and Petitioner.*

CERTIFICATE OF COUNSEL.

I hereby certify that I am of counsel for appellee and petitioner in the above entitled cause and that in my judgment the foregoing petition for a rehearing is well founded in point of law as well as in fact and that said petition for a rehearing is not interposed for delay.

Dated, December 1, 1948.

ARTHUR P. SHAPRO,  
*Of Counsel for Appellee  
and Petitioner.*



. Allen:

Vol. 2, we have not any for  
Office.

Yours truly,  
Chas Strather,  
Clerical Ass't.





No. 11854

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United States  
Circuit Court of Appeals

For the Ninth Circuit

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SCHICK SERVICE, INC., and SCHICK, INC.,  
Appellants,

vs.

RALPH E. JONES,

Appellee,

and

RALPH E. JONES,

Appellant,

vs.

SCHICK SERVICE, INC., and SCHICK, INC.,  
Appellee.

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Transcript of Record

In Two Volumes

VOLUME I

Pages 1 to 422

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Upon Appeals from the District Court of the United States  
for the Southern District of California,  
Central Division



No. 11854

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United States  
Circuit Court of Appeals

For the Ninth Circuit

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SCHICK SERVICE, INC., and SCHICK, INC.,  
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vs.

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Upon Appeals from the District Court of the United States  
for the Southern District of California,  
Central Division



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FREDERICK W. LYON,  
811 West Seventh St.,  
Los Angeles 14, Calif., and  
MACDONALD AND PETTIT,  
ALEXANDER MACDONALD,  
621 S. Spring St.,  
Los Angeles 14, Calif.

For Appellee and Cross-Appellant:

HARRIS, KIECH, FOSTER & HARRIS,  
321 Subway Terminal Bldg.,  
417 S. Hill St.,  
Los Angeles 13, Calif. [1\*]

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\*Page numbering appearing at foot of page of original certified Transcript of Record.

In the United States District Court, Southern  
District of California, Central Division

Civil Action No. 4601-*RJ*—[WM]

Infringement of Letters Patent No. 2,228,768

RALPH E. JONES,

Plaintiff,

vs.

SCHICK SERVICE, INC., a Corporation, and  
SCHICK, INC., a Corporation,

Defendants.

### COMPLAINT

To the Honorable the Judges of the District Court  
of the United States for the Southern District  
of California, Central Division:

Plaintiff complains of the Defendants and alleges  
as follows:

#### I. Plaintiff

Plaintiff is a citizen of the State of California  
and resides in the City of San Diego, California.

#### II. Defendants

Defendants Schick Service, Inc., and Schick, Inc.,  
are each Delaware corporations, and each has a  
regular and established [2] place of business in the  
Southern District of California, Central Division.

#### III. Jurisdiction and Venue

(a) Jurisdiction of this Court is based upon the  
Patent Statutes of the United States.

(b) The acts of infringement herein complained of have, within the last six years, and are being, committed in the Southern District of California, and elsewhere in the United States.

#### IV. Title

On January 14, 1941, United States Letters Patent No. 2,228,768 were duly and legally issued to Plaintiff for an invention in a Hair Clipping and Shaving Device; and since that date Plaintiff has been and still is the owner of those Letters Patent.

#### V. Infringement

Defendants, and each of them, have for a long time past been and still are infringing said Letters Patent by making, selling, or using hair clipping and shaving devices embodying the patented invention, and will continue to do so unless enjoined by this Court.

#### VI. Notice

Plaintiff has given written notice to Defendant Schick Inc. of its said infringements.

Wherefore, Plaintiff Prays for:

(a) A final injunction against further infringement by said Defendants and each of them [3] and those controlled by each of them;

(b) An accounting for profits and damages;

(c) An assessment of costs against the Defendants, jointly and severally;

(d) For a judgment that the damages caused by the acts of infringement of Defendant Schick,

Inc., be trebled because of the deliberate, wilful, and flagrant nature of its acts of infringement; and

(e) For such other and further relief as the Court may deem just.

Signed at San Diego, California, this 25th day of June, 1945.

/s/ RALPH E. JONES,

Plaintiff.

HARRIS, KIECH, FOSTER &  
HARRIS,

By /s/ FORD HARRIS, Jr.

[Endorsed]: Filed July 6, 1945. [4]

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[Title of District Court and Cause.]

### ANSWER TO COMPLAINT

Now come the defendants, Schick Service, Inc., and Schick, Inc., and answering the bill of complaint, herein allege:

#### I.

They admit that the defendant Schick Service, Inc., has a regular and established place of business in the Southern District of California, Central Division, but deny that the defendant Schick, Inc., has any such regular and established place of business in said district or anywhere else in the State of California.

#### II.

They deny that they or either of them have committed any of the acts of infringement herein com-

plained of within the last six years or at any other times or that any such acts of infringement are being committed by the said defendants or either of them in the Southern District of California or elsewhere in the United States. [5]

### III.

They deny that they have any knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in the paragraph of the complaint herein marked "IV. Title."

### IV.

They deny each and every allegation contained in the paragraph of the complaint marked "V. Infringement."

### V.

They admit the allegation contained in the paragraph of the complaint marked "VI. Notice."

Further answering the complaint herein, the said defendants allege on information and belief that the Letters Patent in suit, No. 2,228,768, are invalid and void for the following reasons:

### VI.

The invention or inventions purported to be patented thereby were patented or described in printed publications prior to the supposed invention or discovery thereof by the plaintiff, Ralph E. Jones, or more than two years prior to his application for patent therefor, to wit, in:



## United States Patents

Peterson	1,744,280	January 21, 1930
Dean	2,014,882	September 17, 1935
Blackmore	1,788,614	January 13, 1931
Cordova	1,795,836	March 10, 1931
McArdle	1,723,364	August 6, 1929
Bergendahl	1,337,429	April 20, 1920
Friedman	1,516,635	November 25, 1924
Szabo	1,175,023	March 14, 1916
Kaufmann	1,799,907	April 7, 1931
Ventimiglia	1,801,889	April 21, 1931
Priest	532,335	January 8, 1895

## Publication

Catalog No. 27 of McGill Metal Products Company—1923—p. 13.

## VII.

In so far as any device used or sold by the defendants may be claimed by the plaintiff to be covered by the Letters Patent in suit, Ralph E. Jones was not the original and first inventor or discoverer of any material or substantial part of the thing thus claimed to be patented, all material and substantial parts thereof having been known or used by others in this country before his supposed invention or discovery thereof, to wit, by the inventors of the United States patents listed in paragraph VI above, and by McGill Metal Products Company of Chicago, Illinois, at Chicago, Illinois, and elsewhere in the United States.

VIII.

The invention or inventions purported to be patented thereby did not and do not constitute patentable novelty or invention within the meaning of the patent laws, in view of the prior state of the art, and in view of what was common knowledge on the part of those skilled in the art, all prior to the date of the alleged invention or inventions of the plaintiff, Ralph E. Jones.

Wherefore the defendants Schick Service, Inc., and Schick, Inc., pray that the bill of complaint be dismissed with costs.

SCHICK SERVICE, INC., and  
SCHICK, INC.,

By /s/ VERN IVEY,

Attorney for Defendants.

Dated at Los Angeles, California, October 18, 1945.

Received copy of the within Answer of Defendants this 18 day of October, 1945.

/s/ FORD HARRIS, Jr.,

Attorneys for Plaintiff.

[Endorsed]: Filed Oct. 22, 1945. [7]

[Title of District Court and Cause.]

**COMBINED ORIGINAL AND SUPPLEMEN-  
TAL COMPLAINTS FOR INFRINGE-  
MENT OF LETTERS PATENT No. 2,228,768**

To the Honorable the Judges of the District Court  
of the United States for the Southern District  
of California, Central Division:

Plaintiff complains of the Defendants and alleges  
as follows:

**I. Plaintiff**

Plaintiff is a citizen of the State of California and  
resides in the City of San Diego, California.

**II. Defendants**

Defendants Schick Service, Inc., and Schick, Inc.,  
are each Delaware corporations, and each has a  
regular and established place of business in the  
Southern District of California, Central Division.

**III. Jurisdiction and Venue**

(a) Jurisdiction of this Court is based upon the  
Patent Statutes of the United States.

(b) The acts of infringement herein complained  
of have, within the last six years, and are being,  
committed in the Southern District of California,  
and elsewhere in the United States.

**IV. Title**

On January 14, 1941, United States Letters Pat-  
ent No. 2,228,768 were duly and legally issued to

Plaintiff for an invention in a Hair Clipping and Shaving Device; and since that date Plaintiff has been and still is the owner of those Letters Patent.

### V. Infringement

Defendants, and each of them, have for a long time past been and still are infringing said Letters Patent by making, selling, or using hair clipping and shaving devices embodying the patented invention, and will continue to do so unless enjoined by this Court.

### VI. Notice

Plaintiff has given written notice to Defendant Schick, Inc., of its said infringement.

Wherefore, Plaintiff Prays for:

(a) A final injunction against further infringement by said Defendants and each of them and those controlled by each of them;

(b) An accounting for profits and damages;

(c) An assessment of costs against the Defendants, jointly and severally; [10]

(d) For a judgment that the damages caused by the acts of infringement of Defendant Schick, Inc., be trebled because of the deliberate, wilful, and flagrant nature of its acts of infringement; and

(e) For such other and further relief as the Court may deem just.

As an alternative to the claim set forth in the first cause of action herein, Plaintiff as a second and alternative cause of action alleges as follows:

### I. Parties

Plaintiff hereby adopts by reference all of the statements made in Paragraphs I and II of the first cause of action herein.

### II. Jurisdiction

The matter in controversy exceeds, exclusive of interest and costs, the sum of Three Thousand Dollars (\$3000.00) and is between citizens of different states.

### III. Title

Plaintiff hereby adopts by reference all of the statements made in Paragraph IV of the first cause of action herein.

### IV. Contract

On or about January 29, 1941, Plaintiff entered into an oral contract with Defendant Schick, Inc. (then named Schick Dry Shaver, Inc.) at Los Angeles, California, under the terms of which Plaintiff then granted to said Defendant an exclusive right and [11] license under said Letters Patent, No. 2,228,768, to manufacture, use, and sell the inventions covered thereby, and said Defendant agreed to pay to Plaintiff a royalty amounting to One and one-half per cent ( $1\frac{1}{2}\%$ ) of the selling price of all electric shavers sold by it and embodying any invention of said Letters Patent until Plaintiff has received from said Defendant the total sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00), following which said Defendant was thereby obligated to pay to Plaintiff a royalty of One per cent (1%) on the selling price of all of said shavers



thereafter sold by it, and said Defendant further agreed thereby to pay to Plaintiff an immediate advance on such royalties amounting to Thirty Thousand Dollars (\$30,000.00), which sum was to be credited against said royalties thereafter accruing to Plaintiff under said contract; said contract has never been terminated and is still in full force and effect; and, upon information and belief, Defendant since January 29, 1941, has sold large numbers of dry shavers embodying the inventions claimed in Plaintiff's said patent and upon which royalty is due to Plaintiff in accordance with the terms of said contract, but has never paid to Plaintiff any of said royalties due.

#### V. Demand for Performance

Plaintiff has delivered to Defendant Schick, Inc., written demand for performance by it of the contract alleged in Paragraph IV of this cause of action, but Defendant has refused and continues to refuse to pay Plaintiff the sums due him under said contract or any of such sums, and refuses and has refused to recognize that said contract exists or ever did exist.

Wherefore, Plaintiff prays for an accounting against Defendant Schick, Inc., to determine the number of electric [12] shavers sold by it upon which royalty is due from it to Plaintiff, and to determine the amount of such royalty so due; and Plaintiff prays for a judgment against Defendant Schick, Inc., for all of the royalty due from it to

him under said contract, as determined by said accounting, and for Plaintiff's costs in this action.

Signed at San Diego, California, this 16th day of February, 1946.

/s/ RALPH E. JONES,  
Plaintiff.

HARRIS, KIECH, FOSTER &  
HARRIS,

By /s/ FORD HARRIS, JR.,  
Attorneys for Plaintiff.

Received copy of the within instrument this 18 day of Feb., 1946.

/s/ C. VERN IVEY,  
Attorney for Defendants.

[Endorsed]: Filed Feb. 18, 1946. [13]

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[Title of District Court and Cause.]

ANSWER OF DEFENDANTS TO COMBINED  
ORIGINAL AND SUPPLEMENTAL COM-  
PLAINTS FOR INFRINGEMENT OF LET-  
TERS PATENT NO. 2,228,768

Come Now the Defendants, Schick Service, Inc., and Schick, Inc., and answering the combined original and supplemental complaints herein, allege:

I.

They admit that the Defendant, Schick Service, Inc., has a regular and established place of business in the Southern District of California, Central Division, but deny that the Defendant, Schick, Inc., has any such regular and established place of business in said District or anywhere else in the State of California.

II.

They deny that they, or either of them, have committed any of the acts of infringement herein complained of within the last six years, or at any other times, or that any such acts of infringement [15] are being committed by the said Defendants, or either of them, in the Southern District of California, or elsewhere in the United States.

III.

They deny that they have any knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in the paragraph of the Combined Original and Supplemental Complaints herein marked "IV. Title."

IV.

They deny each and every allegation contained in the paragraph of the Combined Original and Supplemental Complaints marked "V. Infringement."

V.

They admit the allegation contained in the paragraph of the Combined Original and Supplemental Complaints marked "VI. Notice."

Further answering the Combined Original and Supplemental Complaints herein, the said Defendants allege on information and belief that the Letters Patent in suit, No. 2,228,768, are invalid and void for the following reasons:

## VI.

The invention, or inventions, purported to be patented thereby were patented or described in printed publications prior to the supposed invention or discovery thereof by the Plaintiff, Ralph E. Jones, or more than two years prior to his application for patent therefor, to wit, in:

### United States Patents

Peterson	1,744,280	January 21, 1930
Dean	2,014,882	September 17, 1935
Blackmore	1,788,614	January 13, 1931
Cordova	1,795,836	March 10, 1931
McArdle	1,723,364	August 6, 1929
Bergendahl	1,337,429	April 20, 1920
Friedman	1,516,635	November 25, 1924
Szabo	1,175,023	March 14, 1916
Kaufmann	1,799,907	April 7, 1931
Ventimiglia	1,801,889	April 21, 1931
Priest	532,335	January 8, 1895

### Publication

Catalog No. 27 of McGill Metal Products Company (1923), p. 13.

## VII.

Insofar as any device used or sold by the Defendants may be claimed by the Plaintiff to be covered

by the Letters Patent in suit, Ralph E. Jones was not the original and first inventor or discoverer or any material or substantial part of the thing thus claimed to be patented, all material and substantial parts thereof having been known or used by others in this country before his supposed invention or discovery thereof, to wit, by the inventors of the United States patents listed in paragraph VI above, and by McGill Metal Products Company of Chicago, Illinois, at Chicago, Illinois, and elsewhere in the United States.

### VIII.

The invention or inventions purported to be patented thereby did not and do not constitute patentable novelty or invention within the meaning of the patent laws, in view of the prior state of the art, and in view of what was common knowledge on the part of those skilled in the art, all prior to the date of the alleged invention or inventions of the Plaintiff, Ralph E. Jones.

Answering Plaintiff's Second and Alternative Cause of Action of the Combined Original and Supplemental Complaints, Defendants Allege:

### I.

Answering Paragraph I of said Second Cause of Action, [17] Defendants re-allege and incorporate herein all of the allegations contained in Paragraphs I and II of the Answer to the First Cause of Action with the same force and effect as if set forth herein in full.



## II.

Answering Paragraph II of said Second Cause of Action, Defendants admit the allegations set forth in said Paragraph II of said Second Cause of Action.

## III.

Answering Paragraph III of said Second Cause of Action, Defendants re-allege and incorporate herein all of the allegations contained in Paragraph III of the Answer to the First Cause of Action with the same force and effect as if set forth herein in full.

## IV.

Answering Paragraph IV of the said Second Cause of Action, Defendants deny that on or about January 29, 1941, or at any other time, the Plaintiff entered into an oral or any contract with Defendant, Schick, Inc. (then named Schick Dry Shaver, Inc.), at Los Angeles, California, or at any other place, under the terms of which contract Plaintiff granted to said Defendant an exclusive or any right and license under said Letters Patent No. 2,228,768, or under any Letters Patent, to manufacture, use or sell the inventions covered by said Letters Patent; deny that said Defendant agreed to pay to Plaintiff a royalty amounting to one and one-half ( $1\frac{1}{2}\%$ ) percent, or any other percent, of the selling price of all electric shavers sold by it and embodying any invention of said Letters Patent until Plaintiff had received from said Defendant the total sum of Two Hundred Fifty Thousand (\$250,000.00) Dollars, following which said Defendant was obliged to pay to

Plaintiff a royalty of one (1%) percent, or any other percent, on the selling price of all said shavers thereafter sold by it; deny that said [18] Defendant further agreed to pay to Plaintiff an immediate advance on such royalties amounting to Thirty Thousand (\$30,000.00) Dollars, or any other sum, which sum was to be credited against said royalties thereafter accruing to Plaintiff under said alleged contract; deny that said alleged contract has never been terminated and is still in full force and effect, and deny that it was ever in force or effect; deny that Defendant since January 29, 1941, or at any other time, has sold large numbers of dry shavers embodied [in pencil] the inventions granted in said Letters Patent; and deny that any royalty is due to Plaintiff in accordance with the terms of said contract, or otherwise, or at all; admit that it has never paid to Plaintiff any royalties, but specifically deny that any royalties are due to Plaintiff from Defendants, or either of them.

#### V.

Answering Paragraph V of said Second Cause of Action, Defendants admit the receipt by Defendant, Schick, Inc., of a registered letter, dated December 10, 1945, from the firm of Harris, Kiech, Foster & Harris, as attorneys for Plaintiff, a true and correct copy of which letter is attached hereto and marked "Exhibit A," and made a part hereof; admit that said Defendant, Schick, Inc., has refused and continues to refuse to pay to Plaintiff any moneys, and refuses and has refused to recognize

that said contract exists, or ever did exist, and specifically deny that the alleged or any contract exists, or ever did exist between Plaintiff and Defendants, or either of them.

#### VI.

In further answer to said Second Cause of Action, Defendants allege that the claim asserted against Defendants is barred by the Statute of Limitations of the State of California.

#### VII.

In further answer to said Second Cause of Action, Defendants allege that the claim asserted against Defendants is [19] barred by the provisions of Section 337 of the Code of Civil Procedure of the State of California.

#### VIII.

In further answer to said Second Cause of Action, Defendants allege that the claim asserted against Defendants is barred by the provisions of Section 338 of the Code of Civil Procedure of the State of California.

#### IX.

In further answer to said Second Cause of Action, Defendants allege that the claim asserted against Defendants is barred by the provisions of Section 339 of the Code of Civil Procedure of the State of California.

#### X.

In further answer to said Second Cause of Action, Defendants allege that the claim asserted

against Defendants is barred by the provisions of Section 343 of the Code of Civil Procedure of the State of California.

XI.

For a further and separate answer to the Second Cause of Action, Defendants allege:

1. That the supposed agreement mentioned in the Combined Original and Supplemental Complaints, and by which these Defendants are sought to be charged, was and is by its terms not to be performed within one year from the making thereof; that said supposed agreement was never in any writing, subscribed by the Defendants, or either of them, or by their agent or agents, and that there is not now or was there ever any note or memorandum thereof subscribed by Defendants, or either of them, or by their agent, or agents.

2. That the supposed agreement mentioned in the Combined Original and Supplemental Complaints, and by which these Defendants are sought to be charged, was for the sale of goods or chattels or chose in action for a price exceeding the value of Five Hundred [20] (\$500.00) Dollars; that said supposed agreement was never in writing, subscribed by the Defendants, or either of them, or by their agent, or agents, and that there is not now, nor was there ever any note or memorandum thereof, subscribed by Defendants, or either of them, or by their agent, or agents; that the Defendants never at any time accepted or received any part of said goods or chattels (or the evidence, or



any of them, of said things in action) mentioned in said Second Cause of Action; and that Defendants have never paid any part of the alleged purchase money therefor.

Wherefore, Defendants, having fully replied to said Combined Original and Supplemental Complaints, pray that Plaintiff take nothing by this action, and that said Defendants be hence dismissed with their costs.

/s/ LEONARD S. LYON,  
Attorney for Defendants.

### EXHIBIT A

[Letterhead]: Law Offices Harris, Kiech, Foster & Harris.

December 10, 1945.

Registered  
Schick, Incorporated,  
Stamford, Connecticut  
Attention—Mr. K. C. Gifford, President  
Gentlemen:

On behalf of our client, Colonel Ralph E. Jones, we hereby demand performance by you of the contract entered into on January 29, 1941, by and between Colonel Jones and your predecessor Schick Dry Shaver, Inc.

This contract was an oral agreement on that date between Colonel Jones and Mr. R. J. Cordiner, on behalf of Schick Dry Shaver, Inc., to the effect that Colonel Jones thereby granted an exclusive license



to Schick Dry Shaver, Inc., under United States Letters Patent No. 2,228,768, in return for which Schick Dry Shaver, Inc., agreed to pay to Colonel Jones a royalty amounting to One and One-half Percent ( $1\frac{1}{2}\%$ ) of the selling price of all electric shavers embodying the invention of said patent until Colonel Jones should have received the sum of \$250,000.00, following which Schick Dry Shaver, Inc. was only obliged to pay to Colonel Jones a royalty of One Percent (1%) of such selling price of shavers sold thereafter, and Schick Dry Shaver, Inc. agreed to pay to Colonel Jones an immediate advance on such royalties of \$30,000.00, which sum was to be credited against royalties thereafter accruing to Colonel Jones under said agreement.

Neither your Company nor Schick Dry Shaver, Inc., has ever paid to Colonel Jones any portion of such royalties due to him under said contract. On his behalf we hereby demand that you pay to Colonel Jones within ten (10) days from receipt hereof a sum amounting to One and One-half Percent ( $1\frac{1}{2}\%$ ) of the selling price of all electric shavers sold by you since January 29, 1941, embodying any of the inventions claimed in said Letters Patent No. 2,228,768, up to the sum of \$250,000.00 if the total royalty due has amounted to that figure, and a sum amounting to One Percent (1%) of the selling price of all such shavers so sold by you after the total royalties [22] due to Colonel Jones amounted to \$250,000.00, and in the event that the total of such sums is less than \$30,000.00 we alternatively demand that in lieu of such actual royalty you pay to Colo-

nel Jones the sum of \$30,000.00 as the advance on royalties agreed upon by said contract.

Yours very truly,

HARRIS, KIECH, FOSTER  
& HARRIS,

By /s/ FORD HARRIS, JR.

HJR:BN

cc: Col. Ralph E. Jones

Abraham Tulin, Esq. [23]

Receipt of a copy of the within is hereby admitted this 28 day of Feb. 1946.

/s/ FORD HARRIS, Jr.,

Attorney for Plaintiff.

[Endorsed]: Filed Feb. 28, 1946. [24]

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In the United States District Court, Southern  
District of California, Central Division

Civil Action No. 4601-WM

RALPH E. JONES,

Plaintiff,

vs.

SCHICK SERVICE, INC., a Corporation, and  
SCHICK, INC., a Corporation,

Defendants.

STIPULATION SUPPLEMENTING  
PRE-TRIAL STATEMENT

(Plaintiff's Exhibit No. 19)

The defendants represent and it is hereby stipulated by the parties hereto through their respective

counsel that the following facts for the purposes of this case are true and correct:

1. From January 14, 1941, to approximately January 1, 1942, and from September, 1945, to the present date, J. P. Bosk was and is employed by Schick, Inc., on a salary paid monthly by it. The title of his position is and has been District Sales Supervisor. Bosk's duties in this position constituted contacting distributors and seeing that they received all Schick advertisements, broadsides and advertising mediums, and he kept them informed of what Schick was selling and their latest advertising campaigns.

There are two retail stores in the Southern District of California selling Schick Shavers which are sold and delivered directly to them by Schick, Inc., and have been since prior to the filing of the Complaint and since January 14, 1941. All other retail stores purchase Schick Shavers sold by them through independent distributors who purchase shavers from Schick and sell them to the retail outlets. The above-mentioned two retail stores are, and have been during such period specified, contacted from time to time by Bosk. He cannot accept orders from these companies and if they desire to purchase shavers, their orders are sent directly to the home office of Schick, Inc., at Stamford, Connecticut, where they are either accepted or rejected.

From approximately January 1, 1942, until September, 1945, J. P. Bosk was in no way employed by Schick, Inc., but was employed by Schick Serv-

ice, Inc., as local branch manager of the office of Schick Service, Inc., at 443 South Spring Street, Los Angeles, California. His salary was paid by Schick Service, Inc., and his duties were supervising the repairs and personnel employed in this office. No sales were ever made by Schick Service, Inc., other than sales of the Service Exchange Model 240D (A specimen of which may be introduced in evidence).

2. No purchase orders for Schick Shavers and addressed to Schick, Inc., have ever been sent to the office at 443 South Spring Street and no stock or supply of Schick Shavers (other than of the Service Exchange Model 240D) has ever been kept at that office. No customers of Schick, Inc., have ever been billed in the name of Schick, Inc., from that office and no payments to Schick, Inc., have ever been sent or received at that office, and no orders for shavers have ever been filled, in whole or in part by Schick, Inc., in its name, from that office.

3. Samples of all Schick Shavers, including the ones charged to infringe, have, since January 14, 1941, and prior to the filing of the complaint herein, been sent to the office at 443 South Spring Street and to J. P. Bosk for continuous display purposes there and these shavers during such period were put on public exhibit in that office and shown to distributors. None of these shavers were ever sold or given away with the exception of the Service Exchange Model 240D which was sold from that office by Schick Service, Inc. Some of the samples for



display purposes were carried about by Bosk in the pursuance of his duties for Schick, Inc., as set forth above.

4. The service exchange models are sold to Schick Service, Inc., by Schick, Inc., in Stamford, Connecticut, and are paid for there. They are shipped by Schick Service, Inc., to the various stores maintained by Schick Service, Inc., and the service exchange models received at the office at 443 South Spring Street were shipped from Stamford, Connecticut, by Schick Service, Inc.

5. Schick, Inc., through the person of J. P. Bosk, prior to the filing of the complaint and subsequent to January 14, 1941, has distributed pamphlets, circulars and other literature describing the Schick Shavers charged to infringement throughout the Southern District of California, a sample of one of which is attached hereto and marked Exhibit 37 to this stipulation.

6. Exhibit 38 to this stipulation is a sample of the business card used by J. P. Bosk during his said employment by Schick, Inc., and it bears the name of Schick, Inc., and the address as 443 South Spring Street, Los Angeles 13, California.

7. From January, 1941, to December, 1942, R. J. Cordiner was President and Director of both Schick, Inc., and Schick Service, Inc.; from December, 1942, to the present date K. C. Gifford was President and Director of both corporations; from January, 1941, to November, 1943, R. R. Merkle was Secretary and



Treasurer of both corporations and a Director of Schick Service, Inc.; from November, 1943, to April, 1944, William H. Powell was Secretary and Treasurer of both corporations; from April, 1944, to date, R. R. Baysinger has been Secretary-Treasurer of both corporations and a Director of Schick Service, Inc. During the year, 1942, A. F. Fisher was Vice-President of Schick, Inc., and a Director of Schick Service, Inc., and K. C. Gifford was Vice-President of Schick, Inc., and a Director of Schick Service, Inc. Since November, 1943, C. C. Lewis and J. B. Elliott were Vice Presidents of Schick, Inc., and Directors of Schick Service, Inc.

Dated this 27th day of May, 1946.

HARRIS, KIECH, FOSTER &  
HARRIS,

By /s/ FORD HARRIS, JR.,  
Attorneys for Plaintiff.

LYON & LYON,  
/s/ LEONARD S. LYON,  
/s/ FREDERICK W. LYON,  
Attorneys for Defendants.

[Endorsed]: Filed June 1, 1946.

In the United States District Court, Southern  
District of California, Central Division

Civil Action No. 4601-WM

RALPH E. JONES,

Plaintiff,

vs.

SCHICK SERVICE, INC., a Corporation, and  
SCHICK, INC., a Corporation,  
Defendants.

PLAINTIFF'S INTERROGATORIES  
DIRECTED TO DEFENDANTS  
(Plaintiff's Exhibit No. 6-A.)

To defendants Schick Service, Inc., and Schick, Inc., in accordance with Rule 33 of the Federal Rules of Civil Procedure, you are each hereby requested to answer separately and under oath by any officer or officers competent to testify in your respective behalves, the following interrogatories:

1. At the trial of this cause, will the defendants, or either of them, rely upon any patent or publication to show the "prior state of the art" as alleged in Paragraph VIII of the Answer herein?

2. If your answer to the preceding interrogatory is in the affirmative: (a) identify each and every such patent by the country of its issuance, its number, and date of issuance; and (b) identify each and every such publication by its name and date, and provide to plaintiff a copy of each thereof.

3. State in detail the "common knowledge on the part of those skilled in the art," as alleged in Paragraph VIII of the Answer, upon which defendants, or either of them, will rely at the trial of this cause, and in connection therewith: (a) state the names and addresses of all persons having such knowledge; (b) state the country of issuance, number and date of issue of each and every Letters Patent upon which defendants, or either of them, will rely to show such knowledge; and (c) describe any and all other documentary evidence upon which defendants, or either of them, will rely to show such knowledge, providing plaintiff with copies thereof.

4. At the trial of this cause will the defendants, or either of them, contend in substance or effect that guards 20 shown in Letters Patent No. 2,228,768 in suit are not adapted to or capable of catching and retaining beard clippings accumulating there between during normal usage of the shaver shown in said patent?

5. At the trial of this cause will the defendants, or either of them, contend in substance or effect that guards 20 shown in Letters Patent No. 2,228,768 in suit are not adapted to or capable of catching and retaining a major portion of beard clippings accumulating there between during normal usage of the shaver shown in said patent?

At the trial of this cause will the defendants, or either of them, contend in substance or effect that defendants' dry shavers, exemplified by Pre-Trial Exhibits 2, 3, and 4, or either of them, do not include a guard member hinged at each end of the cutting head of each thereof?

7. If your answer to the preceding interrogatory is in the negative, state which of said Exhibits 2, 3, and 4 you will contend at the trial fails to include such a member.

8. At the trial of this cause will the defendants, or either of them, contend that any of the letters Patent pleaded in Paragraph VI of the Answer disclose a device adapted to or capable of shaving the beard of a human being?

9. If your answer to the preceding interrogatory is in the affirmative, state which of said Letters Patent discloses a device adapted to or capable of shaving the beard of a human being?

10. At the trial of this cause will the defendants, or either of them, contend that the "whiskets" (or hinged members mounted at the ends of the cutting head) in Pre-Trial Exhibits 2, 3, or 4 perform any function different than the functions intended to be performed by the guards of 20 of Letters Patent No. 2,228,768 in suit, as specified therein?

11. If your answer to the preceding interrogatory is in the affirmative, state separately as to each of said Exhibits 2, 3, and 4 all of the functions which defendants will contend at the trial are performed by said "whiskets" which are not performed by said guards 20.

12. State the total number of shavers of each of the types exemplified by Pre-Trial Exhibits 2, 3, 4, and the "Service Exchange Model 240-D" sold by each of the defendants up to April 1, 1947, specifying as to each type the number thereof sold by each defendant.



13. State the gross sales price received by each of the defendants from sales by them of shavers of the types exemplified by Pre-Trial Exhibits 2, 3, 4, and the "Service Exchange Model 240-D" up to April 1, 1947, specifying as to each type the total dollar volume of sales thereof by each defendant.

14. At the trial of this cause, will the defendants, or either of them in substance or effect contend that Pre-Trial Exhibit 16 discloses any razor, dry shaver, or shaving device?

15. If your answer to Interrogatory 14 is in the affirmative, point out specifically where in said Pre-Trial Exhibit 16 any razor, shaver, or shaving device is disclosed.

16. Is each of the Pre-Trial Exhibits 2, 3, and 4, a hair clipping device? Answer separately as to each.

17. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a cutting head? Answer separately as to each.

18. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a cutting head which is transversely slitted? Answer separately as to each.

19. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a head having a longitudinally extending passage or channel adapted to receive a reciprocable cutter? Answer separately as to each.

20. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a cutter adapted to reciprocate in a cutting head? Answer separately as to each.

21. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a head, the longitudinal outer edges of which are transversely rounded? Answer separately as to each.



22. In each of the Pre-Trial Exhibits 2, 3, and 4 does the head (adapted to receive a reciprocable cutter) have transversely rounded longitudinal outer edges which merge into an outer surface of the head? Answer separately as to each.

23. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a head (adapted to receive a reciprocable cutter) having a flat outer face? Answer separately as to each.

24. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a hollow head (adapted to receive a reciprocable cutter) having a chamber therein opening through the respective opposite ends of the head? Answer separately as to each.

25. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a head (adapted to receive a reciprocable cutter) mounted in a handle? Answer separately as to each.

26. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a cutter reciprocable in a head? Answer separately as to each.

27. Does each of the Pre-Trial Exhibits 2, 3, and 4 include end flaps mounted at each end of the head thereof? Answer separately as to each.

28. Does each of the Pre-Trial Exhibits 2, 3, and 4 include a handle? Answer separately as to each.

29. Does each of the Pre-Trial Exhibits 2, 3, and 4 include end flaps hinged to a handle? Answer separately as to each.

30. If your answer to Interrogatory 27 is in the affirmative as to any of said exhibits, in such exhib-

its do the end flaps act as guards during shaving to protect or provide comfort to the user? Answer separately as to each.

31. If your answer to Interrogatory 27 is in the affirmative, do such end flaps have rounded upper sections forming rounded end extensions and bearing surfaces for the razor head? Answer separately as to each.

32. Does each of the Pre-Trial Exhibits 2, 3, and 4 include means for detachably holding a head (adapted to receive a reciprocable cutter) in place on the handle? Answer separately as to each.

33. Does each of the Pre-Trial Exhibits 2, 3, and 4 have a head (adapted to receive a reciprocable cutter) which is mounted in a recess in the handle structure? Answer separately as to each.

34. Does each of the Pre-Trial Exhibits 2, 3, and 4 have a head (adapted to receive a reciprocable cutter) provided with an outer face and side faces? Answer separately as to each.

35. Does each of the Pre-Trial Exhibits 2, 3, and 4 have a head (adapted to receive a reciprocable cutter) having a flat base adapted to rest against the end of the handle? Answer separately as to each.

36. Does each of the Pre-Trial Exhibits 2, 3, and 4 have a movable cutter? Answer separately as to each.

37. Does each of the Pre-Trial Exhibits 2, 3, and 4 have a movable cutter adapted to co-operate with shear bars in the head in which the cutter is mounted? Answer separately as to each.

38. Does each of the Pre-Trial Exhibits 2, 3, and 4 have an element or member at each end of the head, each element:

(a) having a longitudinally rounded surface at its extremity merging into the outer surface at the head of one end thereof;

(b) being parallel to slits in the head;

(c) being longitudinally and transversely rounded; or

(d) being relatively thick at a point coincident with the outer end of a longitudinally curved face?

Please answer separately as to each element and each exhibit.

39. Does each of the Pre-Trial Exhibits 2, 3, and 4 have a transverse channel-like recess in the outer end of its handle. Answer separately as to each.

Dated, at Los Angeles, California, this 30th day of April, 1947.

HARRIS, KIECH, FOSTER &  
HARRIS,

By /s/ FORD HARRIS, JR.,  
Attorneys for Plaintiff.

Received copy of the within this 2nd day of May, 1947.

LYON & LYON,  
/s/ LEONARD S. LYON,  
Attorneys for Defendants

[Endorsed]: Filed May 2, 1947.

In the United States District Court, Southern  
District of California, Central Division

Civil Action No. 4601-WM

RALPH E. JONES,

Plaintiff,

vs.

SCHICK SERVICE, INC., a Corporation, and  
SCHICK, INC., a Corporation,

Defendants.

DEFENDANTS' ANSWERS TO INTERROGA-  
TORIES PROPOUNDED BY PLAINTIFF

(Plaintiff's Exhibit No. 6-B)

Now come the above-named defendants, by R. R. Baysinger, Secretary-Treasurer of both defendants, familiar with the facts the disclosure of which is demanded by interrogatories propounded to the defendants herein by the plaintiff, and submit the following answers thereto:

Answering Interrogatories 1 and 2, both defendants will rely upon all the patents enumerated in Paragraph VI of the Answer to Combined Original and Supplemental Complaints, and also on the following patents:

Harris	No. 2,026,360	January 7, 1936
Smith	No. 313,027	February 24, 1845
Bernard	No. 765,954	July 26, 1904
Schick	No. 1,747,031	February 11, 1930
Schick	No. 1,757,978	May 13, 1930
Florman	No. 1,981,787	November 20, 1934

Schick	No. 1,690,133	November 6, 1928
Brunner	No. 1,950,097	March 6, 1934
Aaron	No. 1,970,518	August 14, 1934
Simkovits	No. 138,358	
(Austrian)		
Appleyard	No. 753	
(British)		

and the publications referred to in Paragraph VI of the above-identified Answer.

Answering Interrogatory 3, both defendants will rely on the fact that it is common knowledge that a rounded corner is less harsh than a square corner and that this fact is known to the entire public; and will also rely upon the patents enumerated in Paragraph VI of the above-identified Answer, and on the following patents:

Harris	No. 2,026,360	January 7, 1936
Smith	No. 313,027	February 24, 1845
Bernard	No. 765,954	July 26, 1904
Schick	No. 1,747,031	February 11, 1930
Schick	No. 1,757,978	May 13, 1930
Florman	No. 1,981,787	November 20, 1934
Schick	No. 1,690,133	November 6, 1928
Brunner	No. 1,950,097	March 6, 1934
Aaron	No. 1,970,518	August 14, 1934
Simkovits	No. 138,358	
(Austrian)		
Appleyard	No. 753	
(British)		

and on prior use by Schick, Inc., and its predecessor corporations, and on the publications referred to in Paragraph VI of the above-identified Answer.



Answering Interrogatories 4 and 5, the answer to each interrogatory is yes.

Answering Interrogatories 6 and 7, defendants are unable to answer these interrogatories as there is no definition of the meaning of the words "guard member."

Answering Interrogatories 8 and 9, all of the Letters Patent pleaded in Paragraph VI of the above-identified Answer disclose a device adapted to or capable of shaving the beard of a human being.

Answering Interrogatories 10 and 11, the "whiskets" in defendants' Pretrial Exhibits 2, 3 and 4 perform the function of a reservoir for beard cuttings which is not possible in the guards 20 of the Letters Patent in suit.

Answering Interrogatories 14 and 15, the answer to each interrogatory is no.

Answering Interrogatories 16 to 20, inclusive, the answer is yes to each interrogatory, respectively.

Answering Interrogatories 21 and 22, defendants do not understand the use of the words "transversely rounded" and make the following answer to these interrogatories: The free ends of the bars which make up the shearing plates have never had needle points on them, and possibly that makes them qualify as "transversely rounded."

Answering Interrogatory 23, none of the Pretrial Exhibits 2, 3, or 4 include a head having a flat outer face.

Answering Interrogatories 24 to 26, inclusive, the answer is yes to each interrogatory, respectively.

Answering Interrogatory 27, none of the Pretrial Exhibits 2, 3 or 4 have end flaps mounted at the ends of the heads, but they do have attachments known in the trade as "Whisk-its" at the ends of the heads.

Answering Interrogatory 28, the answer is yes as to each of the Pretrial exhibits.

Answering Interrogatory 29, none of the Pretrial Exhibits have end flaps hinged to the handle. However, Pretrial Exhibits 3 and 4 of the Schick Colonel and the Schick Super have "Whisk-its" hinged to the handle.

Answering Interrogatory 30, as the answer to Interrogatory 27 was in the negative, no answer is required to this interrogatory.

Answering Interrogatory 31, the answer is no.

Answering Interrogatories 32 to 37, inclusive, the answer is yes to each and every interrogatory.

Answering Interrogatory 38, the defendants are unable to answer this interrogatory without further definition of the meaning thereof.

Answering Interrogatory 39, the answer is yes.

SCHICK SERVICE, INC.,

By /s/ R. R. BAYSINGER,  
Sec.-Treas.

SCHICK, INC.,

By /s/ R. R. BAYSINGER,  
Sec.-Treas.

State of Connecticut,  
County of Fairfield—ss.

R. R. Baysinger, being duly sworn, deposes and says: That he is the Sec.-Treas. of the defendant corporation Schick Service, Inc.; that he has signed the foregoing Answers to Interrogatories Propounded by Plaintiff in the above-entitled case; that he does not have personal knowledge of certain of the facts sought to be ascertained by Plaintiff's Interrogatories; that as to such interrogatories to which he does not have personal knowledge, he has relied upon information furnished by others having such knowledge in answering the same; that all the foregoing Answers are true and correct to the best of the knowledge and ability of the defendant corporation Schick Service, Inc.

/s/ *ELIZABETH C. HANDEL.*

Subscribed and sworn to before me this 15th day of July, 1947.

[Seal]      /s/ ELIZABETH C. HANDEL,  
Notary Public in and for Said  
County and State.

Commission Expires April 1, 1951.

State of Connecticut,  
County of Fairfield—ss.

R. R. Baysinger, being duly sworn, deposes and says: That he is the Sec.-Treas. of the defendant corporation Schick, Inc.; that he has signed the foregoing Answers to Interrogatories Propounded by Plaintiff in the above-entitled case; that he does not have personal knowledge of certain of the facts sought to be ascertained by Plaintiff's Interrogatories; that as to such interrogatories to which he does not have personal knowledge, he has relied upon information furnished by others having such knowledge in answering the same; that all the foregoing answers are true and correct to the best of the knowledge and ability of the defendant corporation Schick, Inc.

*/s/ ELIZABETH C. HANDEL.*

Subscribed and sworn to before me this 14th day of July, 1947.

[Seal]      */s/ ELIZABETH C. HANDEL,*  
Notary Public in and for Said  
County and State.

Commission Expires April 1, 1951.

Due service and receipt of a copy of the within is hereby admitted this 16th day of July, 1947.

FORD W. HARRIS,  
Attorney for Plaintiff.  
LYON & LYON,  
Attorney for Defendant.

[Endorsed]: Filed July 16, 1947.



[Title of District Court and Cause.]

PLAINTIFF'S MOTION TO AMEND COM-  
BINED ORIGINAL AND SUPPLEMEN-  
TAL COMPLAINTS

In accordance with the Court's permission granted herein, plaintiff hereby moves that the Combined Original and Supplemental Complaints herein be amended as follows:

Page 2, line 20, after the period, insert—Said infringing acts of defendants are and at all times have been deliberate, wilful, and wanton and in conscious disregard of plaintiff's rights which at all times mentioned herein have been fully known to defendant Schick, Inc.—

Page 4, line 20, after the period, insert—Plaintiff on January 29, 1941, fully and completely performed his obligations under said oral contract, and thereafter all that remained to be done thereunder was the payment of said royalties by defendant Schick, Inc., to plaintiff. By letters dated January 30, 1941, written by plaintiff, and February 5, 1941, written by or on behalf of defendant Schick, Inc., the plaintiff and defendant Schick, Inc., made a written note or written memorandum of said oral contract. On or about February 20, 1941, plaintiff, in reliance upon said oral contract, induced by defendant Schick, Inc., and at the written request of defendant Schick, Inc., disclosed to defendant Schick, Inc., the contents of two pending secret and confidential applications for United States Letters Patent not theretofore known in whole or in part to defendant Schick, Inc., as a result of which plaintiff



irreparably changed his position, and as a result of which it would be a fraud upon plaintiff to permit defendant Schick, Inc., to deny or contest the enforceability of said oral contract and defendant Schick, Inc., is equitably stopped from doing so. But for his belief in and reliance upon the existence of said oral contract, induced by defendant Schick, Inc., plaintiff would not have disclosed said two pending patent applications or either of them to defendant Schick, Inc. In addition, in reliance upon said oral contract and the inducements of defendant Schick, Inc., plaintiff forebore and refrained from negotiations for a patent royalty license agreement with others than said defendant, and plaintiff has never done so.—

Dated: Los Angeles, California, this 15th day of October, 1947.

HARRIS, KIECH, FOSTER &  
HARRIS,

By /s/ FORD HARRIS, JR.,  
Attorneys for Plaintiff.

Approved and it is so ordered this 15th day of October, 1947.

.....,  
United States District Judge.

A True Copy.

Attest, Etc., April 12, 1948.

[Seal] EDMUND L. SMITH,  
Clerk, U. S. District Court, Southern District of  
California.

By /s/ THEODORE HOCKE,  
Deputy.

[Endorsed]: Filed Oct. 15, 1947.

At a stated term, to wit: The September Term, A.D. 1947, of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Wednesday, the 15th day of October, in the year of our Lord one thousand nine hundred and forty-seven.

Present: The Honorable Wm. C. Mathes,  
District Judge.

[Title of Cause.]

#### MINUTE ENTRY

For argument, after proof taken; Ford Harris, Jr., Esq., present for plaintiff; Leonard Lyon, Frederick W. Lyon, Alexander Macdonald, and Thos. H. McGovern, Esqs., present for defendant.

Attorney Harris files motion to amend original and supplemental complaints and the allegations are deemed denied.

Attorney Harris lodges proposed Findings and argues for plaintiff.

Attorney Macdonald moves to introduce in evidence and cause is reopened.

Telegram of March 9, 1941, from Jones to Schick Dry Shaver, Inc., beginning "Documents requested" is admitted by stipulation and marked Defts' Ex. R.

At 10:20 a.m. Attorney Harris argues for plaintiff on infringement of invention. At 11:18 a.m. Attorney Leonard Lyon argues for defendant.

At noon court recesses to 1:30 p.m. At 1:36 p.m. court reconvenes herein and all being present as before, Attorney Leonard Lyon resumes his argument.

At 3 p.m. court recesses. At 3:15 p.m. court reconvenes herein and all being present as before, Attorney Leonard Lyon resumes argument. Attorney Harris argues in rebuttal.

At 3:35 p.m., Attorney Macdonald argues on second cause of action.

Court orders cause continued to 1:30 p.m., Nov. 4, 1947, for further argument.

A True Copy.

Attest, Etc., April 12, 1948.

[Seal] EDMUND L. SMITH,  
Clerk, U. S. District Court, Southern District of  
California.

By /s/ THEODORE HOCKE,  
Deputy.

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[Title of District Court and Cause.]

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

### FINDINGS OF FACT

Upon a trial being had in open court and for good cause shown, the Court hereby finds as follows:

1.

Plaintiff, Ralph E. Jones, is a citizen of the State of California and resides in the city of San Diego, State of California.

2.

Defendant Schick Service, Inc. is a Delaware corporation and has a regular and established place

of business in the Southern District of California, at Los Angeles, California. Defendant Schick Service, Inc. is a wholly owned subsidiary of defendant Schick, Inc. Prior to July 19, 1941, defendant Schick Service Inc. was [29] named Schick Shaver Service Corporation, but in that month changed its name to Schick Service, Inc. and since that time has been so known.

## 3.

Defendant Schick, Inc. is a Delaware corporation. Prior to July 19, 1941, defendant Schick, Inc., was named Schick Dry Shaver, Inc. but in that month changed its name to Schick, Inc. and since that time has been so known.

## 4.

Defendant Schick, Inc. continuously since prior to January 14, 1941, has been, and is now, engaged in the manufacture and sale of electric dry shavers. Throughout this period it has had a number of distributors and jobbers in Southern California who have taken orders for dry shavers from retail outlets and transmitted such orders to the Home Office of Schick, Inc., at Stamford, Connecticut, where such orders have been filled and shipped; the bills for such shipments have been sent from defendant Schick, Inc. to said distributors and jobbers who are accountable to it for the moneys due on the dry shavers ordered by such distributors and jobbers; defendant Schick, Inc. has had desk space in the premises of defendant Schick Service, Inc., located at 443 South Spring Street, Los Angeles, California, for which desk space it has compensated defendant



Schick Service, Inc., monthly; the name of defendant Schick, Inc. has appeared in the telephone books and classified directories in the city of Los Angeles, California, and upon the door of said premises located at 443 South Spring Street.

From January 14, 1941 to approximately January 1, 1942, and from September, 1945 until the present, J. P. Bosk was and is employed by Schick, Inc. on a salary paid monthly by it, and the title of his position has been "District [30] Sales Supervisor" for defendant Schick, Inc., for Southern California and Arizona. Said Bosk has during such period resided at Los Angeles, California, and has used said desk space at 443 South Spring Street in the performance of his duties for defendant Schick, Inc. During such period, said Bosk has used a business card, attached to Exhibit 19 in evidence, which bears the name of defendant Schick, Inc., and gives its address as 443 South Spring Street, Los Angeles 13, California.

While so employed by defendant Schick, Inc., said Bosk's duties have included: contacting such distributors and seeing that they received all the advertisements, broadsides, and advertising mediums put out by defendant Schick, Inc. with regard to its products; keeping such distributors informed of the products sold by defendant Schick, Inc., and of its latest advertising campaigns; the promotion of sales of shavers by defendant Schick, Inc. through local advertising campaigns and otherwise; and contacting the retail stores which sell the products of defendant Schick, Inc. Samples of all the shavers



charged herein to infringe have been sent by defendant Schick, Inc. to said Bosk at such office at 443 South Spring Street for continuous display purposes there, which shavers continuously since January 14, 1941 have been on public display in that office and have there been shown to such distributors, and some of such samples have been carried about by said Bosk and used by him in pursuance of his above duties for defendant Schick, Inc. Said Bosk, in pursuance of such duties for defendant Schick, Inc. and on its behalf, has distributed pamphlets, circulars and other literature of defendant Schick, Inc. describing the shavers charged herein to infringe, throughout the Southern District of California; a sample of one of such circulars [31] being attached to Exhibit 19 as Exhibit 37.

There are two retail stores in the Southern District of California selling the shavers of defendant Schick, Inc., herein charged to infringe, which shavers are sold and delivered directly to them by defendant Schick, Inc., and such acts have been performed since January 14, 1941, and prior to the filing of the original complaint herein.

Defendant Schick, Inc., has used, sold and offered for sale, and is using, selling, and offering for sale the devices herein charged to infringe within the Southern District of California, exemplars of which are in evidence as plaintiff's Exhibits 2, 3 and 4, and has a regular and established place of business in the Southern District of California. Defendant Schick, Inc., has also manufactured and sold the

shaver identified in evidence as Exhibit 5. Defendant Schick Service, Inc., subsequent to January 14, 1941, and prior to the commencement of this action, has exchanged dry shavers of one type charged to infringe, exemplified by Exhibit 5 in evidence, in this District, and such exchanges constitute sales by it within this District.

## 5.

From January, 1941, until December, 1942, R. J. Cordiner was president and a director of both defendants; from December, 1942, to the present, K. C. Gifford has been president and a director of both defendants; from January, 1941, until November, 1943, R. R. Merkle was secretary and treasurer of both defendants and a director of defendant Schick Service, Inc.; from November, 1943, until April, 1944, William H. Powell was secretary and treasurer of both defendants; from April, 1944, until the present, R. R. Baysinger [32] has been secretary and treasurer of both defendants and a director of defendant Schick Service, Inc.; during 1942 A. F. Fisher was vice-president of defendant Schick, Inc., and was a director of defendant Schick Service, Inc., and said K. C. Gifford was vice-president of defendant Schick, Inc., and a director of defendant Schick Service, Inc.; and since November, 1943, J. C. Lewis and J. B. Elliott have each been vice-president of defendant Schick, Inc., and director of defendant Schick Service, Inc. The infringing acts of defendant Schick Service, Inc., at all times herein mentioned have been and are now controlled and directed by defendant Schick, Inc.

## 6.

On January 14, 1941, United States Letters Patent No. 2,228,768 was duly issued to plaintiff upon application Serial No. 53,809, filed in the United States Patent Office on December 10, 1935. Since the date of its issuance said Letters Patent No. 2,228,768 has been and still is owned by plaintiff.

## 7.

Defendant Schick, Inc., was first given notice of infringement by plaintiff on January 24, 1941, before this action was instituted.

## 8.

Prior to adopting the invention of the patent in suit the defendant Schick, Inc., commercially sold approximately 1,700,000 dry shavers, which sales extended from at least 1931 until 1939.

## 9.

Since February 18, 1944, and prior to February 18, 1946, defendant Schick, Inc., has manufactured and sold substantial numbers of each of the types of dry shavers [33] charged herein to infringe, exemplars of which are in evidence as Exhibits 2, 3, 4 and 5, and since January 14, 1941, it has manufactured and sold in excess of 100,000 thereof.

## 10.

The subject of the patent No. 2,228,768 in suit is an electric dry shaver of a conventional type, with certain improvements thereto. The provision of said improvements provides added shaving comfort to

the user of the shaver and thereby permits a faster shave than would otherwise be possible, which is a very desirable feature in such shavers. Also, such improvements provide ease of disassembly and cleaning of the device, and this is another important advantage of the invention.

## 11.

The claims of patent No. 2,228,768 which are in suit are claims 1, 11, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32. These claims are all combination claims, defining combinations of mechanical elements.

## 12.

Claim 1 of patent No. 2,228,768 was initially presented to the Patent Office as claim 4 of the original application, and was never amended or changed from its original form in any significant respect. This claim, like others in suit, refers to a "merging" of the guard members or elements with the cutting head, and in all the claims the term "merging" means that the curved surface or surfaces of the guard elements join the flat surface or surfaces, respectively, of the cutting head in substantial prolongation thereof for the practical purpose of providing shaving comfort to the user. Such merging of the guard members with the surfaces of the cutting head is of importance only at [34] the outer ends of the cutting head and guard elements which contact the skin of the user during normal use of the shaver; whether there is such merging at points remote from the areas of skin contact is wholly



immaterial so far as the present invention is concerned. In order to secure the benefits of such "merging" it is only necessary that there be an approximate alignment of the edges of the end guards with the ends of the cutting head. From the disclosure of patent No. 2,228,768, any man skilled in the art of dry shavers would immediately know the extent of such merging to be provided to accomplish the objects of the patent, and such term, when viewed in the light of the specification, is sufficiently definite and precise to provide such knowledge. This is evidenced by the fact that Mr. Gray, Chief Engineer of defendant Schick, Inc., admittedly experienced no difficulty in making Exhibit A from the drawing and specification of patent No. 2,228,768.

## 13.

The claims in suit of patent No. 2,228,768 variously refer to the end guards as "elements," "members," "parts," "guard elements," "head end members," "guards," and "end flaps." All such terms are synonymous. The term "guard" as used in patent No. 2,228,768 means to protect the skin of a user of the shaver against discomfort and injury and to protect the ends of the cutting head of the shaver against injury or damage.

## 14.

Defendants have introduced into evidence eighteen prior art patents, as Exhibits L-4, L-5, L-6, L-7, L-8, L-9, L-10, L-11, L-12, L-13, L-14, L-15, L-16, L-17, L-18, L-19, L-20 and L-21, and have introduced a



prior art paper punch catalogue Exhibit M, and a paper punch Exhibit N. [35] None of said exhibits introduced in evidence by defendants disclose the construction set forth in patent No. 2,228,768. None of such prior art exhibits describe or disclose or suggest a dry shaver wherein the principle, mode of operation, or results attained are equivalent to those of patent No. 2,228,768. Of such prior art patents introduced into evidence by the defendants, Exhibits L-9, L-11, L-12, L-13, L-14, L-15, L-16, L-17 and L-18 were all file-wrapper references considered by the Patent Office in connection with the patentability of the invention covered by patent No. 2,228,768, and none of the other of said prior art patents, nor the catalogue Exhibit M, nor the paper punch Exhibit N, any more nearly disclose the invention in suit than do such prior art patents considered by the Patent Office. All such prior art exhibits introduced into evidence by defendants have so little in common with the invention of patent No. 2,228,768 here in suit as to merit no special separate findings with regard to them.

## 15.

The defendants have introduced in evidence samples of dry shavers manufactured by defendant Schick, Inc., which are Exhibit B, F, H and I. There is no sufficient evidence as to when such shavers were commercially sold by defendants or either of them or otherwise known to the public. Although complete engineering records and drawings of all types of shavers manufactured by de-

fendant Schick, Inc., were admittedly kept by it, none of such drawings of any of said Exhibits B, F, H or I was offered into evidence by defendants, nor was any properly identified documentary proof of any kind offered into evidence by defendants even tending to establish when shavers as exemplified by said exhibits were manufactured or sold by defendants at any time prior to December 10, 1935, [36] which was the filing date of the application for patent No. 2,228,768 in suit. Defendants called only two witnesses who attempted to testify as to the dates of manufacture or sale of Exhibits B, F, H and I, Mr. Quasnovsky and Mr. Gray, both of whom are employees of defendant Schick, Inc., and neither of whom ever had anything to do with sales of any type of dry shaver so far as the record shows. I have carefully observed the demeanor of both of these witnesses in open court and specifically find that the testimony and demeanor of both fail to carry any conviction as to the dates of manufacture or sale of Exhibits B, F, H and I, or any of them. None of said Exhibits B, F, H and I anticipate any of the claims of patent No. 2,228,768.

## 16.

Defendants' shavers exemplified by Exhibits B, F, H, I, 2, 3, 4 and 5 all have reinforcing bars at the ends of the cutting heads thereof, which are thicker than the shearing plate of the cutting head. The Aaron patent, No. 1,970,518, which is in evidence as Exhibit L-11, shows a dry shaver having reinforcing

bars similar in all functional respects to the reinforcing bars of said Exhibits. This Aaron patent was considered by the Patent Office in the proceedings on the application for patent No. 2,228,768, and all the claims in suit were allowed by the Patent Office after such consideration. Such reinforcing bars in said Exhibits B, F, H, I, 2, 3, 4 and 5 are not the equivalent in construction or operation or function of the end guards 20 of patent No. 2,228,768 in suit.

## 17.

The invention of patent No. 2,228,768 is an improvement on prior types of dry shavers and has provided substantial contribution to the art of dry shavers. It is [37] entitled to be liberally construed and interpreted. By the invention of the patent in suit, the skin of the user is protected against the relatively sharp edges and corners on the ends of the shaving head, and this provides substantial shaving comfort to the user which in turn permits a faster shave than would otherwise be possible, which is highly desirable. Also, the ease of disassembly and cleaning provided by the invention is a substantial advantage.

## 18.

There are four types of dry shavers charged to infringe which have been introduced into evidence, exemplars of which are Exhibits 2, 3, 4 and 5. Shavers, as exemplified by all said exhibits, have been manufactured, used, and sold by defendant Schick, Inc. The only one of such shavers used

or sold by defendant Schick Service, Inc., is exemplified by Exhibit 5, which is mechanically identical with Exhibit 3 in construction and operation and function. All of such shavers made and sold by defendants are provided with a device at each end of the cutting head of the shaver and referred to by defendants as a "whiskit." The "whiskits" in Exhibits 2, 3, 4 and 5 are provided for the same purpose as the end guards 20 of the patent No. 2,228,768 in suit, and by reason thereof accomplish the same result, i. e., the provision of shaving comfort and a faster shave to the user and permit ready disassembly of the shaving head and cleaning of the device. Such "whiskits" in defendants' shavers also serve to collect beard clippings, but the end guards 20 of patent No. 2,228,768 also serve to collect and retain in the cutting head some of the beard clippings. Even if the end guards 20 of the patent in suit would not retain any beard clippings, still at best this function is merely an addition to the structure of the patent in suit and does [38] not avoid infringement. Such "whiskits" on defendants' shavers are the full mechanical equivalent of the end guards 20 of patent No. 2,228,768 in suit, and infringe each of claims 22, 23, 31 and 32 of said patent.

The proceedings had in the Patent Office on the application for patent No. 2,228,768, as exemplified by the file-wrapper record thereof which is in evidence as Exhibit K, do not so limit or restrict the scope of the claims in suit of the patent as to avoid infringement by defendants' shavers exemplified by



Exhibits 2, 3, 4 or 5. The patentee Jones made no admissions in such proceedings which would restrict or limit the scope or interpretation of the claims in suit herein so far as defendants' shavers exemplified by Exhibits 2, 3, 4 and 5 are concerned.

20.

Claims 22, 23, 31 and 32 of patent No. 2,228,768 define a new and useful invention and are valid. Claims 1, 11, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29 and 30 of said patent, however, are invalid because of indefiniteness.

21.

The matter in controversy exceeds, exclusive of interest and costs, the sum of Three Thousand Dollars (\$3,000), and is between citizens of different states.

22.

Prior to January 24, 1941, defendant Schick, Inc. on its own initiative, opened negotiations with plaintiff seeking to purchase from him, for the sum of Fifty Thousand Dollars (\$50,000) in cash, his patent No. 2,228,768, which was the only patent that issued to plaintiff during the month of January, 1941. Plaintiff declined to sell, and defendant Schick, Inc. thereupon requested an exclusive license under said patent. [39]

23.

On January 29, 1941, plaintiff and defendant Schick, Inc. entered into an oral contract by the terms of which plaintiff granted to said defendant



an exclusive license under patent No. 2,228,768 for the life of that patent, and defendant Schick, Inc. agreed to pay to plaintiff the sum of Thirty Thousand Dollars (\$30,000) in cash as an advance against future royalties, and agreed to pay to plaintiff a royalty of one and one-half per cent ( $1\frac{1}{2}\%$ ) of its sales price on all dry shavers sold by it embodying any of the inventions of said patent No. 2,228,768 until the total royalties so paid by said defendant to plaintiff should amount to Two Hundred Fifty Thousand Dollars (\$250,000), following which the royalty rate would automatically reduce to one per cent (1%) of the sales price of all such shavers thereafter sold by said defendant during the life of said patent. At the time of the making of said oral contract between plaintiff and defendant Schick, Inc., all the terms thereof were agreed to unconditionally by both parties thereto, as above stated; and that oral contract was not conditioned upon the making of any subsequent agreement by the parties as to any further terms; nor was said oral contract conditioned upon being subsequently reduced to writing, or otherwise. Defendant Schick, Inc. never performed any of its obligations under said oral contract, although requested to do so by plaintiff; and defendant breached and repudiated said oral contract. Plaintiff at all times offered to perform all of his obligation under said oral contract, but defendant Schick, Inc. refused to accept performance by the plaintiff.

Thereafter and on or about March 13, 1941, by written notice to the plaintiff, defendant Schick,

Inc. [40] renounced and abandoned the exclusive license granted by said oral contract on the ground that plaintiff's patent No. 2,228,768 was invalid; and said defendant did not thereafter manufacture or sell any dry shavers, pursuant to said oral contract, embodying the invention covered by said patent.

## 24.

By letter dated February 17, 1941, written by its duly authorized agent, and exemplified by Exhibit 12 in evidence, defendant Schick, Inc. requested that plaintiff disclose to such defendant copies of two pending applications for United States Letters Patent, being Serial No. 314,287 and 316,154 owned by plaintiff. At the time of receipt of said letter request from defendant, plaintiff had never theretofore disclosed to defendant in whole or in part the contents of either of said patent applications, and while such applications were pending they were secret and confidential and not open to the public. In accordance with this request from said defendant and at its inducement, plaintiff mailed copies of both such pending applications to defendant Schick, Inc., with his letter of February 20, 1941, which is exemplified by Exhibit 13 in evidence, and he did so in reliance upon said oral contract, which reliance was induced by defendant Schick, Inc. The plaintiff would not have so sent copies of his said pending patent applications to defendant Schick, Inc., had he not relied upon said oral contract. By sending copies of such pending patent applications to defendant Schick, Inc., plaintiff changed his position

to his detriment, and he could not be put back into his original position after such disclosure. From January 29, 1941 until at least March 14, 1941, relying upon the acts and statements of defendant Schick, Inc., plaintiff believed that he had a binding and [41] enforceable agreement with said defendant, and in reliance thereon, plaintiff throughout such period refrained from negotiating with any other person or company with respect to his patent No. 2,228,768, and thereby suffered further detriment.

The said patent applications Serial Nos. 314,287 and 316,154 were not solely referable to the oral contract of January 29, 1941, since it was not one of the terms or provisions of said oral contract that plaintiff would submit said patent applications or disclose them to defendant Schick, Inc. Said oral contract extended over the life of Patent No. 2,228,768, and was a contract which by its terms could not be performed within one year from the making thereof. There was no written note or memorandum of the oral contract subscribed by defendant Schick, Inc., or by its agent or agents, as required by § 1624 of the Civil Code and § 1973 of the Code of Civil Procedure of the State of California, which Code sections are hereinafter for convenience referred to as the "Statute of Frauds" of California.

25.

Having observed the demeanor of the plaintiff while testifying in open court during the trial, and

the manner and substance of his testimony, I find that his testimony as to the facts set forth in findings 23 and 24 is entitled to full credibility and that it carries full conviction as to the truth of the above facts.

## 26.

The infringement by both defendants of patent No. 2,228,768 in suit has been conscious, deliberate, wilful and wanton. And the defendants threaten, intend to and will, unless enjoined and restrained by order of this court, [42] continue infringement of the patent in suit.

## CONCLUSIONS OF LAW

1. This Court has jurisdiction of this Cause, and the venue is proper as to both defendants.

2. Patent No. 2,228,768 in suit is not anticipated and discloses patentable invention, and each of claims 22, 23, 31 and 32 thereof is valid.

3. Claims 1, 11, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29 and 30 of patent No. 2,228,768 are invalid because of indefiniteness.

4. Defendant Schick, Inc. has infringed claims 22, 23, 31 and 32 of patent No. 2,228,768 by making and selling dry shavers of the types exemplified by Exhibits 2, 3 and 4 in evidence, each of which infringes all of said claims. Defendant Schick Service, Inc. has infringed each of said claims 22, 23, 31 and 32 of said patent by selling dry shavers of



the type exemplified by Exhibit 5 in evidence. Since the infringing acts of defendant Schick Service, Inc. are directed and controlled by defendant Schick, Inc., the latter defendant is also liable for all infringement by the former.

5. Plaintiff is not required to elect between the remedies alternatively sought by the first and second causes of action alleged in the complaint as amended.

6. The oral license contract made on January 29, 1941, between plaintiff and defendant Schick, Inc., as to the patent in suit, was by its terms not to be performed within one year from the making thereof, and was therefore a contract declared by the Statute of Frauds of California to be invalid. There is no written note or memorandum of [43] said oral contract subscribed by defendant Schick, Inc., or by its agent or agents, sufficient to satisfy the requirements of the Statute of Frauds of California. Said oral contract was not fully or otherwise performed by plaintiff so as to take the same out of the operation of the Statute of Frauds of California. Plaintiff's act of submitting the two applications for United States Letters Patent to defendant Schick, Inc. was not an act solely referable to said oral contract; nor was plaintiff's forbearance from negotiations with others an omission solely referable to the oral contract; and for that reason defendant Schick, Inc. is not estopped from asserting the invalidity of said oral contract under the Statute of



Frauds of California. Said oral contract is invalid and action thereon is barred by the provisions of the Statute of Frauds of California.

7. Plaintiff is entitled to an injunction against both defendants enjoining their further infringement of patent No. 2,228,768, and an accounting to aid in the determination of plaintiff's damages arising from the said infringement by both defendants.

8. Plaintiff is entitled to recover from the defendants damages arising out of the infringement by the respective defendants which is referred to above in Finding of Fact 18 and Conclusion of Law 4.

9. Defendant Schick, Inc. is entitled to judgment that plaintiff take nothing by his second and alternative cause of action and that said second and alternative cause of action be dismissed with prejudice.

December 31, 1947.

/s/ WM. C. MATHES,

United States District Judge.

[Endorsed]: Filed Dec. 31, 1947. [44]

In the District Court of the United States, Southern District of California, Central Division

No. 4601-WM Civil

RALPH E. JONES,

Plaintiff,

vs.

SCHICK SERVICE, INC., a Corporation, and  
SCHICK, INC., a Corporation,

Defendants.

### INTERLOCUTORY JUDGMENT

This cause came on to be heard April 30 and June 17, 1946, and on September 19, 23, 24, 25, 26, October 15 and 16, and November 4 and 5, 1947, and was tried in open court, and upon consideration thereof, and for good cause shown, it is hereby ordered, adjudged and decreed as follows:

1. That United States Letters Patent No. 2,228,768, granted January 14, 1941, to Ralph E. Jones, for Hair Clipping and Shaving Device, is good and valid in law as to claims 22, 23, 31 and 32 thereof.

2. That said patent No. 2,228,768 is invalid in law as to claims 1, 11, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29 and 30 thereof. [45]

3. That plaintiff, Ralph E. Jones, owns the entire right, title and interest in and to said Letters Patent No. 2,228,768, together with all rights of action for past infringement thereof.

4. That defendant Schick, Inc., has infringed each of claims 22, 23, 31, and 32 of said Letters

Patent No. 2,228,768 by making and selling dry shavers of each of the types exemplified by Exhibits 2, 3, 4 and 5 herein.

5. That defendant Schick Service, Inc., has infringed each of claims 22, 23, 31 and 32 of said Letters Patent No. 2,228,768 by selling dry shavers of the type exemplified by Exhibit 5 herein.

6. That a writ of injunction issue enjoining and restraining defendant Schick, Inc., and Schick Service, Inc., and their officers, attorneys, agents, servants and employees, and all persons in active concert or participation with both or either of them, as provided by Rule 65 (d) of the Federal Rules of Civil Procedure, forthwith and for the remainder of the term for which the said Letters Patent No. 2,228,768 have been granted, from directly or indirectly, in any way or manner, making, using or selling, or causing to be made, used or sold, any dry shavers embodying the inventions claimed in claims 22, 23, 31 or 32 of said Letters Patent No. 2,228,768; and more specifically, from directly or indirectly, in any way or manner, making, using or selling, or causing to be made, used or sold. dry shavers exemplified by Exhibits 2, 3, 4 or 5 herein; and from in any way or manner infringing upon claims 22, 23, 31 and 32 of said Letters Patent No. 2,228,768, or upon any of the rights of the plaintiff under all or any of said claims.

7. That plaintiff, Ralph E. Jones, recover from defendant Schick, Inc. the damages arising out of and [46] accruing from the infringement by defend-

ant Schick, Inc. of claims 22, 23, 31 and 32 of said Letters Patent No. 2,228,768, by making, using and selling dry shavers of each of the types exemplified by Exhibits 2, 3, 4 and 5 herein, at any time during the period commencing six years prior to the filing of the bill of complaint herein on July 6, 1945; such damages to be assessed as provided by § 4921 of the Revised Statutes, as amended, [35 U.S.C. § 70].

8. That plaintiff, Ralph E. Jones, recover from defendant Schick Service, Inc. the damages arising out of and accruing from the infringement by defendant Schick Service, Inc. of claims 22, 23, 31, and 32 of said Letters Patent No. 2,228,768, by using and selling dry shavers of the type exemplified by Exhibit 5 herein, at any time during the period commencing six years prior to the filing of the bill of complaint herein on July 6, 1945; such damages to be assessed as provided by § 4921 of the Revised Statutes, as amended, [35 U.S.C. § 70].

9. That plaintiff, Ralph E. Jones, is entitled to an accounting from the defendants to aid determination of the issue of plaintiff's damages.

10. That this cause be and is hereby referred to David B. Head, Esquire, as Master pro hac vice, pursuant to Rule 53 of the Federal Rules of Civil Procedure, with directions: (a) to hear the accounting as to profits derived from the infringement of Letters Patent in suit and accruing to defendants Schick, Inc. and Schick Service, Inc., or either of them, at any time during the period commencing six years prior to the filing of the bill of complaint

herein on July 6, 1945; (b) to hear all other relevant evidence on the issue of plaintiff's damages, to be assessed pursuant to § 4921 of the Revised Statutes, as amended, [47] [35 U.S.C. § 70]; and (c) to report his findings of fact and conclusions of law with respect to the assessment of damages.

11. That decision on plaintiff's prayer for treble damages and attorney's fees shall be and is hereby reserved until after determination of the issue of plaintiff's damages.

12. That plaintiff shall take nothing on his second and alternative cause of action and said second and alternative cause of action is hereby dismissed with prejudice.

13. That all parties shall pay and bear their own costs in this Court.

December 31, 1947.

/s/ WM. C. MATHES,

United States District Judge.

Judgment entered Dec. 31, 1947 Docketed Dec. 31, 1947. Book 47 Page 631

EDMUND L. SMITH,

Clerk,

By /s/ LEWIS J. SOMERS,

Deputy. [48]

[Endorsed]: Filed Dec. 31, 1947.



[Title of District Court and Cause.]

MOTION FOR SUPERSEDEAS STAYING  
ISSUANCE AND SERVICE OF INJUNCTION

Now come the defendants, Schick Service, Inc., and Schick, Inc., and move the court for an order staying the injunction and the issuance and service thereof provided in Paragraph 6 of the judgment entered in favor of plaintiff herein on the 31st day of December, 1947, pending determination of an appeal of said defendants from said judgment to the United States Circuit Court of Appeals for the Ninth Circuit.

This motion is based upon the grounds that irreparable injury might result to said defendants.

That this court fix the amount of bond required to [49] be filed by said defendants.

Upon hearing of this motion said defendants will refer to the pleadings and papers on file in said cause and upon the attached affidavit of K. C. Gifford and Rule 62 of the Federal Rules of Civil Procedure.

Dated January 6, 1948.

Respectfully submitted,

/s/ LEONARD S. LYON,

/s/ FREDERICK W. LYON,

/s/ ALEXANDER MACDONALD,

Attorneys for Defendants.

[Title of District Court and Cause.]

AFFIDAVIT

State of New York,  
County of New York—ss.

K. C. Gifford, being duly sworn, deposes and says:

I am and since December 1942 have been President of each of the above named Corporations, of which Schick Service, Inc., is a wholly-owned subsidiary of Schick Incorporated. The parent company, Schick Incorporated, has its only plant at Stamford, Connecticut, where it is engaged in the manufacture and sale of electric shavers. The subsidiary, Schick Service, Inc., maintains thirty-eight (38) establishments throughout the United States for the purpose of repairing or otherwise servicing Schick electric shavers. [51]

Schick Incorporated is a one product company in that, except for one or two related accessories which it has put out in the past, it has manufactured and at the present time actually manufactures nothing but electric shavers. It was organized for that purpose some seventeen years ago, when it introduced to the world the now well-known electric shaver. From very small beginnings, the Company has progressed and grown to a point where it now gives employment to more than nine hundred (900) men and women at its plant in Stamford, Connecticut and, in addition, maintains a field sales organization of approximately twenty-five (25) employees. In the past ten years, notwithstanding our

switch to Naval instrument and other vital production during the war years, Schick Incorporated has sold more than three million four hundred thousand (3,400,000) shavers.

Schick Service, Inc., has approximately one hundred ninety-five (195) employees on its payroll.

Schick Incorporated currently manufactures only two general types or forms of its electric shaver, one with a single head and the other with a double head, and both of them have been held to infringe four (4) claims of the plaintiff's patent, of which all the other thirteen (13) claims in suit have been held invalid.

The feature of our shaver which has been held to infringe the plaintiff's patent is no part of the shaving mechanism or of the motor for operating it but is a simple adjunct in the form of receptacles for collecting the beard clippings. Our shavers have been equipped with receptacles for this purpose since long prior to the issuance of plaintiff's patent. Although the infringement involves only a minor feature, it is so incorporated as an integral part of the design that our shavers, in their present form, are not salable without it; that is to say, simply to omit the affected parts would so disfigure or impair the appearance of the shaver that it could not be sold.

While our shavers could be redesigned to omit the feature said to give rise to the infringement, such a change would involve numerous incidental alterations, even including a different shape of plastic case or handle to which the receptacles are

fitted and hinged; and, quite apart from the expense involved, it would be a matter of many months before we could secure new case molds, tools and dies and get into production on any such re-designed model. The making of such new case molds and other required tools is not an operation which we are equipped to handle or are capable of handling in our own plant, such work being invariably undertaken by specialists in those fields; and, consequently, our plant would be idle during any such conversion to a different design if not permitted to continue the manufacture of our current models.

In the premises, an injunction forbidding the manufacture and sale of our present shavers is nothing short of a total prohibition against our doing business and, unless promptly suspended, will require us to close our plant. Such a step would necessarily work untold hardship not only on the company but also on its hundreds of employees.

While a continuing injunction against our entire operation would be disastrous at any time, it works a particular and immediate hardship coming toward the end of the year, for the reason that our product is extremely important as a Christmas gift item and our records over many years have shown, without exception, that we do a larger volume of business in December than in any other month of the year. [53]

In the event of any protracted shut-down of our plant and, in any case, after they had exhausted such local relief as they might be able to obtain,



the majority of our employees would be compelled to seek other work; and when again ready to operate, Schick Incorporated would be faced with the extraordinary difficult problem of reassembling its working force or securing such new help as could be found. Furthermore, the electric shaver business is highly competitive and if our product should be kept off the market for any appreciable time it is my considered judgment that even if our company did not thereby suffer irreparable injury, which is not unlikely, it would most certainly take us several years to regain our hard-won competitive position.

Our companies are solvent and are now, and if permitted to continue in operation will be, in my opinion, able to pay any reasonable judgment likely to be entered against them, if it should ultimately be decided that the plaintiff is entitled to any recovery. Schick Incorporated's current assets in excess of liabilities amount to more than Two Million Dollars (\$2,000,000.00).

We estimate that our total sale of shavers during the twelve months November 1, 1947, to October 31, 1948, will amount to Six Million Dollars (\$6,000,000.00); and as a condition of the suspension of the injunction, we are prepared to post a surety bond in any reasonable amount. I venture to suggest Ninety Thousand Dollars (\$90,000.00) which, although far in excess of what I believe would be a reasonable royalty, would represent one and one-half per cent ( $1\frac{1}{2}\%$ ) of our estimated sales.

Our records show that in the period from January 1, 1941, to November 1, 1947, our sales of



shavers equipped with hinged receptacles, that is, of the kind held to infringe, [54] amounted to approximately Twenty Million Three Hundred Fifty Thousand Dollars (\$20,350,000.00); and, as a condition of the suspension of the accounting, we are likewise prepared to post a surety bond in any reasonable amount.

/s/ K. C. GIFFORD.

Sworn to before me this 20th day of November, 1947.

[Seal]      /s/ FRANCES TUIE,  
Notary Public. [55]

[Title of District Court and Cause.]

ORDER SHORTENING TIME OF HEARING  
OF MOTION FOR SUPERSEDEAS STAY-  
ING ISSUANCE AND SERVICE OF  
INJUNCTION

It Is Hereby Ordered that the attached motion for supersedeas staying issuance and service of injunction shall be set for hearing on Monday, January 12, 1948, at the hour of 10:00 o'clock a.m., or as soon thereafter as counsel can be heard, in the court room of the Honorable Judge Wm. C. Mathes, in the Post Office and Court House Building, Los Angeles, California.

Dated: Jan. 7, 1948.

/s/ PAUL J. McCORMICK,  
United States District Judge.

[Endorsed]: Filed Jan. 7, 1948. [56]

[Title of District Court and Cause.]

STATEMENT OF PLAINTIFF'S  
OPPOSITION TO DEFENDANTS' MOTION

Plaintiff hereby gives notice that he will oppose the granting of defendants' "Motion for Superseas Staying Injunction and Service of Injunction," dated January 6, 1948, and plaintiff will rely upon the following points and authorities:

I.

This motion is untimely because no notice of appeal has been filed, and the granting of a stay of an injunction is possible only after "an appeal is taken."

See: Rule 62(c) and (d), Rules of Civil Procedure.

II.

The stay pending appeal of an injunction is within the discretion of the Trial Court, but should only be granted in exceptional circumstances. As stated by the Second Circuit Court [57] of Appeals, in *Chadeloid Chemical Co. v. H. B. Chalmers Co.*, 242 Fed. 71, 72:

"The complainant having succeeded so far, I do not see any sufficient reason why it should be deprived, pending appeal, of its right to bring suits for infringement, or why the defendants should be relieved of the operation of the injunction until its appeal is decided, which may not be for six months. The hardships the

defendants complain of, and which they wish to escape by help of the court, are the result of defeat.”

And in *Tinolat et al. v. Philadelphia Pneumatic Tool Co.*, 130 Fed. 903 (C.C.N.Y. 1904), the Court said:

“The power to grant a supersedeas is discretionary. In *re Haberman Manufacturing Co.*, 147 U. S. 525, 13 Sup. Ct. 527, 37 L.Ed. 266; Eq. Rule 93. Such discretion, however, should be cautiously exercised, and only where it is manifest that there are extraordinary reasons to justify it.”

And see:

*American Strawboard Co. v. Indianapolis Water Co.*, 81 Fed. 423 (C.C.A. 7th, 1894).  
Rule 62 (a), (b), (c), Rules of Civil  
Procedure.

### III.

There are no special circumstances in this case warranting a stay of the injunction, because:

(1) Defendant Schick, Inc., sold over 1,700,000 dry shavers prior to adopting the invention in suit, and can readily resume the manufacture and sale of [58] such shavers if it so desires or is required to do so;

(2) Defendant Schick, Inc., can readily, and without any appreciable expense, modify the shavers held to infringe herein so as to change them to a form which will avoid infringement of all of the claims held valid by this Court;

(3) Defendants are merely in effect asking for a license from this Court to continue their infringing acts;

(4) This action has been pending since on or about July 6, 1945, and defendant Schick, Inc., has had ample opportunity to change the construction of its shavers heretofore if it so desired. In addition, defendants were warned by this Honorable Court on September 26, 1947, more than three months ago, that they were probably infringing plaintiff's patent (See Tr. 545), yet defendants, apparently, have made no move to change their constructions to avoid infringement.

It is respectfully submitted that defendants' motion should be denied.

Signed this 9th day of January, 1948, at Los Angeles, California.

Respectfully submitted,

HARRIS, KIECH, FOSTER &  
HARRIS,

By /s/ FORD HARRIS, JR.,

Attorneys for Plaintiff. [59]

Received copy of the within Statement of Plaintiff's Opposition to Defendant's Motion this 9th day of January, 1948.

/s/ FREDERICK W. LYON,

Attorney for Defendants.

[Endorsed]: Filed Jan. 9, 1948. [60]

[Title of District Court and Cause.]

BOND ON STAY OF INJUNCTION

Know All Men by These Presents:

That Hartford Accident and Indemnity Company, a corporation organized and existing under the laws of the State of Connecticut, having its principal place of business at Hartford, Connecticut, is held and firmly bound unto Ralph E. Jones, plaintiff in the above-entitled suit, in the sum of Ninety Thousand Dollars (\$90,000.00) to be paid to the said plaintiff Ralph E. Jones and for payment of which well and truly to be made we bind ourselves and our successors in interest, firmly by presents.

Dated this 19th day of January, 1948. [64]

Whereas, the above-named Schick Service, Inc., and Schick, Inc., defendants in the above-entitled suit, have filed a notice of appeal to the Circuit Court of Appeals for the Ninth Circuit in the District Court for the Southern District of California, Central Division, from so much of the judgment entered in this action on the 31st day of December, 1947, as is ordered, adjudged and decreed in and by paragraphs 1, 4, 5, 6, 7, 8, 9, 10, and 11, and each thereof.

Now, Therefore, the condition of this obligation is such that if the above-named defendants Schick Service, Inc., and Schick, Inc., shall prosecute their said appeal to effect, or if they fail to make good their said appeal, shall answer all costs adjudged against them by reason thereof and shall pay plaintiff all damages which may be adjudged against de-



pendants Schick Service, Inc., and Schick, Inc., or either of them, from and after the entry of the Interlocutory Judgment on December 31, 1947, until the final decision of the United States Circuit Court of Appeals for the Ninth Circuit upon said appeal, of dry shavers described in claims 22, 23, 31 and 32 of the United States Letters Patent 2,228,768 which is by said judgment enjoined, then this obligation shall be void, otherwise the same shall be and remain in full force and effect;

: But It Is Understood that this bond shall not be considered as securing the payment for any damages which may be adjudged against said Schick Service, Inc., and Schick, Inc., or either of them, by reason of any manufacture, use or sale of said enjoined dry shavers prior to the making and entry of said Interlocutory Judgment on December 31, 1947.

HARTFORD ACCIDENT AND  
INDEMNITY COMPANY,

By /s/ GLEN HUNTSBERGER, JR.,  
Attorney in Fact. [65]

State of California,  
County of Los Angeles—ss.

On this 19th day of January, in the year 1948, before me, Eleanor G. Davis, a Notary Public in and for said County, residing therein, duly commissioned and sworn, personally appeared Glen Huntsberger, Jr., known to me to be the Attorney-in-Fact of the Hartford Accident and Indemnity Company, the Corporation described in and that executed the

within instrument, and also known to me to be the person who executed it on behalf of the Corporation therein named, and he acknowledged to me that such Corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

/s/ ELEANOR G. DAVIS,

Notary Public in and for the County of Los Angeles,  
State of California.

My Commission Expires May 27, 1951. [65]

Examined and recommended for approval as provided in Rule 8.

/s/ LEONARD S. LYON,

Attorney for Defendant.

Approved as to form:

.....,

Attorney for Plaintiff.

I hereby approve the foregoing. Dated this 19th day of Jan., 1948.

/s/ WM. C. MATHES,

Judge.

[Endorsed]: Filed Jan. 19, 1948. [66]

[Title of District Court and Cause.]

### NOTICE OF APPEAL

Notice Is Hereby Given that Schick Service, Inc., and Schick, Inc., defendants above named, appeal to the Circuit Court of Appeals for the Ninth Circuit from so much of the judgment entered in this action on the 31st day of December, 1947, as is ordered, adjudged and decreed in and by Paragraphs 1, 4, 5, 6, 7, 8, 9, 10 and 11, and each thereof.

Dated this 12th day of January, 1948.

/s/ LEONARD S. LYON,

/s/ FREDERICK W. LYON,

/s/ ALEXANDER MACDONALD,

Attorneys for Defendants.

[Endorsed]: Filed Jan. 12, 1948. [67]

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[Title of District Court and Cause.]

### CONCISE STATEMENT OF POINTS ON APPEAL UNDER RULE 75(a)

#### I.

The trial court erred in holding that United States Letters Patent No. 2,228,768, granted January 14, 1941, to Ralph E. Jones, for Hair Clipping and Shaving Device, is good and valid in law as to claims 22, 23, 31 and 32 thereof.

#### II.

The trial court erred in holding that the defendant, Schick, Inc., has infringed each of claims 22,

23, 31 and 32 of said Letters Patent No. 2,228,768 by making and selling dry shavers [68] of the types exemplified by Exhibits 2, 3, 4 and 5 herein.

### III.

The trial court erred in holding that the defendant, Schick Service, Inc., has infringed each of claims 22, 23, 31 and 32 of said Letters Patent No. 2,228,768 by making and selling dry shavers of the type exemplified by Exhibit 5 herein.

### IV.

The trial court erred in ordering that a writ of injunction issue enjoining and restraining the defendants Schick, Inc., and Schick Service, Inc., their officers, attorneys, agents, servants, employees, and all persons in active concert or participation with both or either of them, forthwith and for the remainder of the term for which the said Letters Patent No. 2,228,768 have been granted, from directly or indirectly, in any way or manner, making, using, selling, or causing to be made, used or sold, any dry shavers embodying the inventions claimed in claims 22, 23, 31 or 32 of said Letters Patent No. 2,228,768; and more specifically, from directly or indirectly, in any way or manner, making, using or selling, or causing to be made, used or sold, dry shavers exemplified by Exhibits 2, 3, 4 or 5 herein; and from in any way or manner infringing upon claims 22, 23, 31 and 32 of said Letters Patent No. 2,228,768, or upon any of the rights of the plaintiff under all or any of the said claims.

## V.

The trial court erred in holding that plaintiff, Ralph E. Jones, recover from Schick, Inc., the damages accruing from the infringement by defendant, Schick, Inc., of claims 22, 23, 31 and 32 of said Letters Patent No. 2,228,768, by making, using and selling dry shavers of each of the types exemplified by Exhibits 2, 3, 4 and 5 herein, at any time during the period commencing six years prior to the filing of the bill of complaint herein on July 6, 1945; such damages to be assessed as provided by § 4921 [69] of the Revised Statutes, as amended, (35 U.S.C., §70).

## VI.

The trial court erred in holding that plaintiff, Ralph E. Jones, recover from defendant, Schick Service, Inc., the damages accruing from the infringement by defendant, Schick Service, Inc., of claims 22, 23, 31 and 32 of said Letters Patent No. 2,228,768, by making, using and selling dry shavers of the type exemplified by Exhibit 5 herein, at any time during the period commencing six years prior to the filing of the bill of complaint herein on July 6, 1945; such damages to be assessed as provided by § 4921 of the Revised Statutes, as amended, (35 U.S.C., § 70).

## VII.

The trial court erred in holding that the plaintiff, Ralph E. Jones, is entitled to an accounting from defendants to aid determination of the issue of plaintiff's damages.



VIII.

The trial court erred in ordering that this cause be referred to a Special Master with directions:

(a) To hear the accounting as to profits derived from the infringement of the Letters Patent in suit and accruing to defendants Schick, Inc., and Schick Service, Inc., or either of them, at any time during the period commencing six years prior to the filing of the bill of complaint herein on July 6, 1945;

(b) To hear all other relevant evidence on the issue of plaintiff's damages, to be assessed pursuant to § 4921 of the Revised Statutes, as amended (35 U.S.C., § 75); and

(c) To report his findings of fact and conclusions of law with respect to the assessment of damages. [70]

IX.

The trial court erred in holding that defendant, Schick Service, Inc., has a regular and established place of business in the Southern District of California, and has used, sold, offered for sale, or is using, selling and offering for sale the devices herein charged to be infringed within the Southern District of California, exemplars of which are in evidence as plaintiff's exhibits 2, 3, 4 and 5.

X.

The trial court erred in holding that the infringing acts of defendant, Schick Service, Inc., at all times have been and are now controlled and directed by defendant, Schick, Inc.

## XI.

The trial court erred in holding that the subject matter of Patent No. 2,228,768 was an electric dry shaver of a conventional type, with certain improvements thereto, or that the provision of said improvements provides added shaving comfort to the user of the shaver and thereby permits a faster shave than would otherwise be possible, or that this is a very desirable feature in such shavers, or that such improvements provide ease of disassembly and cleaning of the device, or that this is another important advantage of the invention.

## XII.

The trial court erred in holding that the claims in suit of Patent No. 2,228,768 variously refer to the end guards as "elements," "members," "parts," "guard elements," "head end members," "guards," and "end flaps," and that all such terms are synonymous, and that the term "guard" as used in Patent No. 2,228,768 means to protect the skin of the user of the shaver against discomfort and injury and to protect the ends of the cutting head of the shaver against injury or damage. [71]

## XIII.

The trial court erred in holding that the prior art introduced at the trial as Exhibits L-4, L-5, L-6, L-7, L-8, L-9, L-10, L-11, L-12, L-13, L-14, L-15, L-16, L-17, L-18, L-19, L-20, L-21, Exhibit M and Exhibit N did not describe or disclose or suggest a dry shaver wherein the principle, mode of operation, or results attained are equivalent to those of Patent

No. 2,228,768, and that all such exhibits introduced into evidence by the defendants have so little in common with the invention of Patent No. 2,228,768 as to merit no special findings with regard to them.

#### XIV.

The trial court erred in holding that there is no sufficient evidence as to when the shavers, exemplified by Exhibits B, F, H, and I, were commercially sold by defendants, or either of them, or otherwise known to the public, and that although complete engineering records and drawings of all types of shavers manufactured by defendant, Schick, Inc., were admittedly kept by it, and that no properly identified documentary proof was offered into evidence by defendants even tending to establish when shavers as exemplified by said exhibits were manufactured by defendants at any time prior to December 10, 1935.

#### XV.

The trial court erred in not finding that the plaintiff, Ralph E. Jones, by his oral testimony, adequately proved that Exhibits B, F, H, and I were manufactured and sold by defendants prior to December 10, 1935.

#### XVI.

The trial court erred in holding that Exhibits B, F, H, I, 2, 3, 4, and 5, all have reinforcing bars at the ends of the cutting heads thereof, which are thicker than the shearing plate of the cutting head, or that the reinforcing bars are not the equivalent in construction or operation or function of [72] the end guards 20 of Patent No. 2,228,768 in suit.

## XVII.

The trial court erred in holding that the invention of the Patent No. 2,228,768 is an improvement on prior types of dry shavers and is entitled to be liberally construed and interpreted, or that by the invention of the patent in suit, the skin of the user is protected against the relatively sharp edges and corners on the ends of the shaving head, and this provides substantial shaving comfort to the user which in turn permits a faster shave than would otherwise be possible, which is highly desirable, and that the ease of disassembly and cleaning provided by the invention is a substantial advantage.

## XVIII.

The trial court erred in holding that the “whisk-its” on Exhibits 2, 3, 4, and 5 are provided for the same purpose as the end guards 20 of the patent No. 2,228,768 in suit, and by reason thereof accomplish the same result, i.e., the provision of shaving comfort and a faster shave to the user and permit ready disassembly of the shaving head and cleaning of the device.

## XIX.

The trial court erred in holding that the “whisk-ets” in defendants’ shavers also serve to collect beard clippings, and the end guards 20 of Patent No. 2,228,768 also serve to collect and retain in the cutting head some of the beard clippings, and even if the end guards 20 of the patent in suit would not retain any beard clippings, still at best this function is merely an addition to the structure of the patent



in suit and does not avoid infringement, and that such "whiskits" are the full mechanical equivalent of the end guards 20 of Patent No. 2,228,768 in suit and infringe each of the claims 22, 23, 31 and 32 of said patent.

## XX.

The trial court erred in holding that the proceedings [73] in the Patent Office on the application for Patent No. 2,228,768 do not limit or restrict the scope of the claims in suit, or that the patentee Jones made no admissions in such proceedings which would in any way limit the scope or interpretation of the claims in suit so far as defendants' shavers exemplified by Exhibits 2, 3, 4, and 5 are concerned.

## XXI.

The trial court erred in holding that claims 22, 23, 31, and 32 of patent No. 2,228,768 define a new and useful invention and are valid.

## XXII.

The trial court erred in holding that the defendants are guilty of conscious, deliberate, wilful or wanton infringement of the Patent No. 2,228,768 in suit.

## XXIII.

The trial court erred in holding that this court has jurisdiction of this cause or that the venue is proper as to both defendants.

## XXIV.

The trial court erred in holding that each of claims 22, 23, 31 and 32 of Patent No. 2,228,768 in



suit is valid and not anticipated, and that these claims disclose patentable invention.

Dated this 22nd day of January, 1948.

/s/ LEONARD S. LYON,

/s/ FREDERICK W. LYON,

Attorneys for Defendants-  
Appellants. [74]

Received copy of the within this 22nd day of Jan.,  
1948.

/s/ FORD HARRIS, JR.,

Attorney for Plaintiff.

[Endorsed]: Filed Jan. 22, 1948. [75]

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[Title of District Court and Cause.]

### NOTICE OF APPEAL

Notice Is Hereby Given that plaintiff, Ralph E. Jones, appeals to the Circuit Court of Appeals for the Ninth Circuit from the following parts, and each thereof, of the judgment entered in this action on the 31st day of December, 1947:

(a) Paragraph 2, in so far only as it relates to claims 1, 11, 26, 27, 28, 29, and 30 of patent No. 2,228,768 in suit; and

(b) Paragraph 12.

Dated, this 29th day of January, 1948.

HARRIS, KIECH, FOSTER &  
HARRIS.

By /s/ WARD D. FOSTER,

By /s/ FORD HARRIS, JR.,

Attorneys for Plaintiff.

[Endorsed]: Filed Jan. 29, 1948. [82]

[Title of District Court and Cause.]

### CERTIFICATE OF CLERK

I, Edmund L. Smith, Clerk of the District Court of the United States for the Southern District of California, do hereby certify that the foregoing pages numbered from 1 to 96, inclusive, contain full, true and correct copies of Complaint; Answer to Complaint; Combined Original and Supplemental Complaints for Infringement of Letters Patent No. 2,228,768; Answer of Defendants to Combined Original and Supplemental Complaints for Infringements of Letters Patent No. 2,228,768; Memorandum to Counsel; Findings of Fact and Conclusions of Law; Interlocutory Injunction; Motion for Supersedeas Staying Issuance and Service of Injunction; Statement of Plaintiff's Opposition to Defendants' Motion; Order Staying Injunction and Accounting; Bond on Stay of Injunction; Defendants' Notice of Appeal; Defendants' Concise Statement of Points on Appeal Under Rule 75(a); Defendants' Designation of Portions of Record on Appeal; Stipulation and Order for Use of One Copy of Reporter's Transcript; Plaintiff's Notice of Appeal; Plaintiff's Designation of Additional Portions of Record on Appeal; Plaintiff's Concise Statement of Points on his Cross-Appeal; Plaintiff's Designation of Portions of Record on Appeal; Defendants' Designation of Additional Portions of Record on Appeal; and Order for Transmission of Original Exhibits which, together

with original plaintiff's exhibits 1, 2, 3, 4, 5, 6a, 6b, 7 and exhibits thereto, 8, 9, 10, 11, 12, 13, 14, 19, 20, 21A to 21Q inclusive, 22, 23 and 24 and original defendants' exhibits A, B, C, D, E, F, G, H, I, J, K, L-1 to L-21 inclusive, M, N, O, P, Q and R, transmitted herewith, and original reporter's transcript of proceedings on September 19, 1947, September 23, 1947, September 24, 1947, September 25, 1947, September 26, 1947, October 15, 1947, and November 4 and 5, 1947, transmitted herewith, constitute the record on appeals to the United States Circuit Court of Appeals for the Ninth Circuit.

I further certify that my fees for preparing, comparing, correcting and certifying the foregoing record amount to \$20.60 one-half of which has been paid by each of the appellants and cross-appellant.

Witness my hand and the seal of said District Court this 11th day of February, A.D. 1948.

[Seal]

EDMUND L. SMITH,

Clerk.

By /s/ THEODORE HOCKE,

Chief Deputy Clerk.

In the District Court of the United States in and  
for the Southern District of California, Central  
Division

Before: Honorable William C. Mathes,  
Judge Presiding.

No. 4601-WM Civil

RALPH E. JONES,

Plaintiff,

vs.

SCHICK SERVICE, INC., a corporation, and  
SCHICK INC., a corporation,  
Defendants.

Appearances:

For the Plaintiff: Messrs. Harris, Kiech, Foster &  
Harris, by Ford Harris, Jr., Esq.

For the Defendants: Lyon & Lyon, by Leonard S.  
Lyon, Esq., and Frederick W. Lyon, Esq.

REPORTER'S TRANSCRIPT OF  
PROCEEDINGS ON PRE-TRIAL

Los Angeles, California

Tuesday, April 30, 1946

\* \* \* \* \*

Mr. Harris: Yes; I have several little things.  
On page 4 of the statement, under Item 8, it says  
that:

“Plaintiff asserts that since February 18,  
1944 and prior to February 18, 1946, Schick,

Inc. has manufactured and sold substantial Numbers of each of said three types of electric shavers.”

I would like to see if we can't get a stipulation on that, because we will have to call witnesses to establish that fact, if it is a fact, and we believe it is.

\* \* \* \* \*

The Court: The point he has brought up now is the plaintiff's assertion at lines 15 et seq. on page 4 of the pre-trial statement “that since February 18, 1944 and prior to February 18, 1946, Schick, Inc. has manufactured and sold substantial numbers of each of said three types of electric shavers, and since January 14, 1941 has so manufactured and sold in excess of 100,000 thereof.”

Of course, if there is no allegation as to where, I was wondering, subject to your objection as to the immateriality of it, could the fact itself be stipulated to?

Mr. L. S. Lyon: We can stipulate that the fact is true if it be understood that in so doing I am not waiving any objections I have to the fact appearing in the case.

\* \* \* \* \*



[Title of District Court and Cause.]

REPORTER'S TRANSCRIPT OF  
PROCEEDINGS

Los Angeles, California

Friday, September 19, 1947

\* \* \* \* \*

Mr. Harris: If the Court please, I offer into evidence as Plaintiffs' Exhibit 1, a soft copy of the Jones patent in suit, No. 2,228,768. I also hand to the clerk a bound copy for the Court's use, in which the drawings have been separated from the body of the specifications, so as to facilitate the reading of the patent and at the same time checking the drawings.

The Court: Very well. The patent in suit will be received in evidence as Plaintiff's Exhibit 1. [44\*]

\* \* \* \* \*

Mr. Harris: The black one, this shaver which is identified as Exhibit 1 in the pre-trial statement, is offered into evidence as Plaintiff's Exhibit 2.

Mr. L. S. Lyon: I object to that, your Honor, and I would like to suggest to counsel that he designate against which defendant he is offering them in evidence. As far as any statement or evidence appears in the stipulation, which is not in evidence, has not been read in evidence, that device has not been sold by Schick Service Company and there is no evidence here that the device has even been sold in the Southern District of California by the Schick Company.

\* \* \* \* \*

The Court: Very well. I will overrule the objection, and admit the Schick Captain model, marked Exhibit 2 on the pre-trial. It will be Exhibit 2 here.

Mr. Harris: Next, if the Court please, I wish to offer [47] into evidence the further model shaver, which was identified in the pre-trial statement as Exhibit 3, that shaver being offered here as Plaintiff's Exhibit 3, and being the Colonel shaver manufactured by the defendant.

Mr. L. S. Lyon: On behalf of the defendant Schick Service Company I object upon the ground that the exhibit is not admissible against it. There is no foundation that it has ever had anything to do with the device. I should like a ruling on that before I make an objection on behalf of the other defendant.

\* \* \* \* \*

The Court: I will overrule the objection of the defendant Schick Service Inc. with respect to the specimen called Colonel. It will be received in evidence and marked Plaintiff's Exhibit 3.

Mr. L. S. Lyon: May I ask for a ruling on the same objections by the Service Company, as to Captain?

The Court: What is the view of plaintiff with respect to the state of the record as to Captain, Exhibit 2? [50]

Mr. Harris: If the facts are that the Captain has not been sold by Schick Service, Incorporated, of course it would not apply as against that defendant. However, it has been sold admittedly by the defendant Schick Incorporated.

The Court: I am not referring to Schick Incorporated. I am referring to the defendant Schick Service, Incorporated. I don't see anything in the pre-trial stipulation covering that.

Mr. Harris: There is nothing that ties in Plaintiff's Exhibit 2 with Schick Service, Incorporated.

The Court: Very well. Exhibit 2 is received in evidence only as to the defendant Schick, Inc.; not as against the defendant Schick Service.

Mr. L. S. Lyon: I would like to make a similar objection on behalf of Schick, Inc. with reference to Exhibit 3, to wit, that there is no foundation laid that it has sold any such device within this district—manufactured, sold or used any such device in this district.

The Court: The objection of both defendants with respect to the specimen called Colonel, now marked Exhibit 3, is overruled, and Exhibit 3 will be received in evidence.

Mr. Harris: Next in order, if the Court please, I wish to offer into evidence as Plaintiff's Exhibit 4, the Schick Super shaver, which is identified in the pre-trial statement as Exhibit 4. [51]

Mr. L. S. Lyon: I would like to make an objection on behalf of Schick Service, Inc. that there is no foundation laid for the admission of this exhibit in evidence against it. It denies ever having sold any such device.

The Court: Do you offer it as against the defendant Schick Service, Inc.?

Mr. Harris: If the fact is that Schick Service has not sold any such device in this district, I am not offering it against them.

The Court: Is there anything in the stipulation?

Mr. Harris: Nothing in the stipulation which connects Exhibit 4 with the defendant Schick Service, Incorporated, as I recall.

The Court: The objection of the defendant Schick Service, Inc. with respect to Exhibit 4 for identification, of Super, is sustained.

Mr. L. S. Lyon: On behalf of Schick, Inc. I object to the offer of 4 upon the ground that no foundation has been laid to show that the device has been manufactured, used or sold by the defendant Schick, Inc. in this district.

The Court: The objection of the defendant Schick, Inc. is overruled as to Exhibit 4 for identification. The Schick Super is received in evidence as against the defendant Schick, Inc. only.

Mr. Harris: Counsel for defendants have produced still [52] another model shaver here which, as I understand their statement, is the Service Exchange Model 240D, which the defendant Schick Service, Incorporated has exchanged here in this district. I ask that that be accepted into evidence as Plaintiff's Exhibit 5.

Mr. L. S. Lyon: So far as the defendant Schick Service, Inc. is concerned, this is the device, and the only model device that it sells at all, your Honor, and I might explain the term "sell." This Schick Service, Inc. is a service company. If your Schick razor becomes out of order, and they take it there,



and it can't be repaired conveniently, they will take it in, and give him one of these Exchange models, so-called. For our purposes here, it cannot be said to amount to a sale. It is an exchange. [53]

Mr. L. S. Lyon: For our purposes here it could be said to amount to a sale, a sale on exchange.

The Court: It is manufactured by the Schick Inc.?

Mr. L. S. Lyon: It is manufactured in Connecticut by Schick Inc.; and insofar as the exhibit is offered against Schick Inc., if it is offered against Schick Inc., why, it is objected to on the ground that the Schick Inc. has nothing to do with this device in this district; and there is no foundation laid for showing that this device has been manufactured, used or sold by Schick, Inc. in the Southern District of California.

The Court: Your objections are overruled and Service Exchange Model 240D is received into evidence and will be marked Plaintiff's Exhibit 5—is it, Mr. Clerk?

The Clerk: Yes, your Honor.

The Court: Received into evidence as against both defendants.

Mr. Harris: Next, if the Court please, I wish to offer into evidence the plaintiff's interrogatories addressed to the defendants in this case which are on file in the case, as Plaintiff's Exhibit 6-A.

The Court: 6-A?

Mr. Harris: 6-A, because I wish to offer the answers as Exhibit 6-B.



The Court: Identify them as by date of filing. Are [54] those the interrogatories consisting of seven pages filed May 2, 1947?

Mr. Harris: That is correct, your Honor; filed May 2, 1947.

The Court: They will be received into evidence and marked Plaintiff's Exhibit 6-A.

Mr. Harris: Next, if the Court please, we will offer into evidence as Plaintiff's Exhibit 6-B the defendant's answers to plaintiff's interrogatories, the filing date of which is July 16, 1947.

The Court: Answers of both defendants, plural possessive answers, "defendants' answers?"

Mr. Harris: That is correct; "defendants' answers to interrogatories propounded by plaintiff."

The Court: The answers will be received into evidence and marked Plaintiff's Exhibit 6-B.

Mr. Harris: Next, if the Court please, we wish to offer into evidence certain portions of the pre-trial statement which was filed on April 26, 1946, entitled "Pre-Trial Statement," except that I shall simply read, with the Court's permission, the portions of that pre-trial statement which we offer into evidence.

The Court: You are referring now to the original pre-trial statement filed April 26, 1946?

Mr. Harris: That is correct, your Honor. [55]

The Court: And not to any supplement?

Mr. Harris: Not now, I am not referring to a supplement. I am merely referring to the original stipulation filed on April 26, 1946.

The Court: Very well. Will you identify the portions by paragraph numbers?

\* \* \* \* \*

The Court: All of page 1, then, goes in except the caption?

Mr. Harris: All of page 1 goes in. All of page 2, which includes paragraphs numbered 3, 4, 5 and 6, except for the last line, reading: "Defendants deny that Schick, Inc., has a regular and"—

\* \* \* \* \*

Also, on page 3, I exclude in the last line the words: "Plaintiff asserts that said Bosk at all times." The first line of page 4 I exclude.

The sentence beginning in line 24 and ending in line 28 on page 4 I exclude.

\* \* \* \* \*

On page 5 we offer all the material down to line 15. We exclude and do not offer paragraphs 12 and 13 on page 5. We offer all of paragraph 14, commencing on page 5 and ending on page 6.

On page 6 we offer the whole page, with the exception of the following words at the commencement of paragraph 15: "Defendants deny that the Jones letters patent in suit, particularly the claims to be relied thereon by plaintiff, are valid;"

And the line appearing at the—rather, the sentence, the last sentence in paragraph 15, which is in lines 27 to 30, inclusive, on page 6.

The Court: You wish excluded?

Mr. Harris: Excluded, yes, your Honor. We are not offering that.

Mr. L. S. Lyon: In connection with paragraph 14 is counsel offering the exhibit referred to in that paragraph, Col. Jones' letter?

The Court: I take it that would be a part of his offer.

Mr. L. S. Lyon: I should think that the documents should [62] be produced and marked as exhibits in the case.

Mr. Harris: My thought, if the Court please, is that those exhibits bear different numbers than will be accorded them in evidence here, and I would prefer to offer them separately as separate numbers.

The Court: Very well. Then with respect to paragraph 14, dealing with notice of infringement, do you wish to exclude when the reporter copies into the record, I take it, the last sentence of the paragraph, referring to a copy of the letter, the sentence at the top of page 6, is that correct?

Mr. Harris: No. I think that should go in, too. However, we will offer into evidence as a separate exhibit this letter which was identified as Exhibit 5. It will then be offered as Plaintiff's Exhibit 8.

\* \* \* \* \*

The Court: Very well; you offer all of paragraphs 16 and 17?

Mr. Harris: All of paragraph 16, none of paragraph 17, all of paragraph 18.

\* \* \* \* \*

(At this point in the record such portions of the "Pre-Trial Statement" as indicated by counsel for plaintiff to be included are copied into the transcript as follows:)

“Pursuant to the Pre-trial Order of this Court dated January 15, 1946, the parties to the above-entitled suit, by their respective attorneys, for the purpose of simplifying the issues in the trial of this cause, agree as follows: [66]

“1.

“The action was commenced July 6, 1945, by the plaintiff Ralph E. Jones against Schick Service, Inc., a corporation, and Schick, Inc., a corporation, for the alleged infringement of plaintiff's Patent No. 2,228,768.

“2.

“Plaintiff Ralph E. Jones is a citizen of the State of California, residing in the City of San Diego, California, and is the owner of the patent in suit, No. 2,228,768, which issued to him on January 14, 1941, a copy of which is attached hereto as Exhibit 1.

“Defendants Schick Service, Inc., and Schick, Inc., are each duly incorporated under the laws of the State of Delaware.

“3.

“As shown by the Marshal's return, service was made by the Marshal upon the defendants Schick Service, Inc., and Schick, Inc., by handing to and leaving a true and correct copy of the summons and complaint 'with J. P. Bosk, Mgr., personally, at Los Angeles, in said District, on the 9 day of July, 1945.'

“4.

“Prior to July 19, 1941, the defendant Schick, Inc., was named Schick Dry Shaver, Inc., but in



that month [67] changed its name to Schick, Inc., and since that time has been so known. It qualified to do business in California as a foreign corporation on January 23, 1939, and withdrew by certificate dated December 19, 1941, and since that date has not been qualified to do business in California.

“5.

“Prior to July 19, 1941, the defendant Schick Service, Inc., was named Schick Shaver Service Corporation, but in that month changed its name to Schick Service, Inc., and since that time has been so known. It qualified to do business in California as a foreign corporation on December 13, 1938.

“6.

“Defendants admit that defendant Schick Service, Inc., has a regular and established place of business at 443 South Spring Street, Los Angeles, California, within the Southern District of California, Central Division, and that Schick Service, Inc., is a wholly owned subsidiary of Schick, Inc.

“Defendants deny that Schick, Inc., has a regular and established place of business within the Southern District of California, Central Division.

“7.

“Defendants admit that Schick, Inc., continuously since prior to the year 1931 has been, and is now, engaged in the manufacture and sale of electric dry shavers, with its principal place of business in Stamford, Connecticut; \* \* \* Defendants admit that the method of doing business of Schick, Inc., at all



times mentioned herein is as follows: It has a number of distributors and jobbers in Southern California who take orders for dry shavers from retail outlets and they transmit those orders to the home office of Schick, Inc., in Stamford, Connecticut, where the orders are filled and shipped; the bills for such shipments are sent to the distributors and jobbers who are accountable to Schick, Inc., for the moneys due on the dry shavers upon the orders of the distributors and jobbers; Schick, Inc., has desk space in the premises of Schick Service, Inc., at 443 South Spring Street, Los Angeles, California, for which desk space it compensates Schick Service, Inc., monthly; the name of Schick, Inc., appears in the telephone books and classified directories in the City of Los Angeles and upon the door at 443 South Spring Street, Los Angeles, California; Schick, Inc., maintains no bank account in the Southern District of California; J. P. Bosk, prior to the date of the commencement of this action was and still is District [69] Sales Supervisor for Schick, Inc., for Southern California and Arizona, residing at Los Angeles, California, and using said desk space in the performance of his duties for Schick, Inc. \* \* \*

“8.

“Defendants admit that, prior and subsequent to the filing of the complaint herein, the defendant Schick, Inc., has manufactured and sold three types of electric dry shavers, known as the Schick “Captain,” a specimen of which is marked Exhibit 2; the Schick “Colonel,” a specimen of which is

marked Exhibit 3; and the Schick "Super," a specimen of which is marked Exhibit 4. These exhibits are retained by counsel for defendants and will be produced at the trial of this action. Defendants admit that since January 14, 1941, Schick, Inc., has manufactured and sold electric shavers of the types illustrated by said Exhibits 2 and 3, but defendants deny that Schick, Inc., has manufactured or sold any of said electric shavers in the Southern District of California. Plaintiff asserts that since February 18, 1944, and prior to February 18, 1946, Schick, Inc., has manufactured and sold substantial numbers of each of said three types of electric shavers, and since January 14, 1941, has so manufactured and sold in [70] excess of 100,000 thereof. Defendants contend that until infringement has been adjudged and an accounting ordered the quantity of shavers sold is immaterial.

"9.

"\* \* \* Defendants admit that since January 14, 1941, and prior to the commencement of this action the defendant Schick Service, Inc., maintained at its store at 443 South Spring Street, Los Angeles, California, a service exchange whereby an owner of a Schick dry shaver could obtain from Schick Service, Inc., at said location a new dry shaver, known as a "Service Exchange Model," by there delivering his dry shaver and the sum of Eleven Dollars (\$11.00) to Schick Service, Inc., when he can use his present cord, and Eight Dollars (\$8.00) if the shearing head of the old shaver can be used on the exchange assembly.

“10.

“Defendants admit that Schick Service, Inc., subsequent to January 14, 1941, and prior to the commencement of this action, has exchanged in the Southern District of California, Central Division, in the manner set forth in Item 9 above, Schick dry shavers of the type known as the Exchange Service Model 240D; and admit that the Schick Service Exchange Model 240D is mechanically substantially identical with the Schick [71] “Colonel” exemplified by said Exhibit 3.

\* \* \*

“14.

“Defendant Schick, Inc., admits the receipt at Stamford, Connecticut, on January 24, 1941, of a notice of infringement by the letter dated January 21, 1941, from Ralph E. Jones, addressed to this defendant under its then name of Schick Dry Shaver, Inc. A true and correct copy of said letter accompanies this statement and is marked Exhibit 5.

“15.

“Defendants deny that the Jones Letters Patent in suit, particularly the claims to be relied thereon by plaintiff, are valid; that upon the trial of this action, the defendants will rely upon the following United States Letters Patent as an anticipation of the invention claimed in the patent in suit or as showing a lack of invention by Jones, copies of which patents accompany this statement and are marked as follows:

“Exhibit	Issued to	Patent No.
6	Peterson	1,744,280
7	Blackmore	1,788,614
8	Ventimiglia	1,801,889
9	Cordova	1,795,836
10	Kaufmann	1,799,907
11	Bergendahl	1,337,429
12	Szabo	1,175,023
13	Friedman	1,516,635
14	McArdle	1,723,362
15	Dean	2,014,882

Defendants will also rely on the McGill catalogue, attached hereto as Exhibit 16, together with a paper punch marked as Exhibit 17, as an anticipation of the Jones patent in suit or as showing a lack of invention. \* \* \*

“16.

“Both parties agree:

“(a) That uncertified printed copies or uncertified photostatic or photographic copies of United States Letters Patent may be introduced and received in evidence, subject to the legal objections as to their relevancy and materiality, with the same force and effect as the originals, and that the printed dates of application and issuance of such Letters Patent shall be taken as prima facie evidence of the actual dates respectively thereof, subject to correction at any time for errors; and

“(b) That uncertified photostatic or typewritten copies of the file wrapper and contents, or the file history and contents, of the Jones patent, No.



2,228,768, may be introduced and received in evidence, without further proof of authenticity, subject to the legal objections as to their relevancy and materiality, with the same force and effect as the originals and subject to correction at any time for errors.

“Second Cause of Action

“18.

“On February 18, 1946, plaintiff served upon C. Verne Ivey, as the then attorney for the defendants, his amended complaint, in which a second cause of action is alleged against the defendant Schick, Inc., for an account of royalties allegedly due upon an allegedly oral license under the Jones patent No. 2,228,768 entered into on or about January 29, 1941, between plaintiff and this defendant under its then name of Schick Dry Shaver, Inc.”

\* \* \* \* \*

Mr. Harris: Your Honor will recollect that we were specifying at the last session the portions of the pre-trial statement which is marked Plaintiff's Exhibit 7. [77]

\* \* \* \* \*

The Court: Very well. Paragraphs 23 and 24 are received. Paragraphs 23 and 24, page 15 of the stipulation, are received, on the understanding, as I have it, that the exhibits referred to therein are not now offered, is that correct?

Mr. Harris: That is correct.



(At this point in the record the remaining portions of the "Pre-Trial Statement" as indicated by counsel for plaintiff to be included are copied into the transcript as follows:)

"23.

"Both parties admit that the above Exhibits 18 to 31, inclusive, true copies of which accompany this statement, were written upon the dates set forth therein and by the persons whose signatures are attached thereto and were [82] received by the respective addressees in due course of transmission of mail; and further admit that the same, or copies thereof, may be introduced and received in evidence without further proof of authenticity, with the same force and effect as the originals, subject to the legal objections as to their relevancy and materiality, subject to correction at any time for errors.

"24.

"Plaintiff in support of its first cause of action will also rely on photographs of the dry shaver, Exhibit 3, made by plaintiff, copies of which are attached hereto and marked as Exhibits 32, 33, 34, and 35, which defendants admit are true and accurate photographs of said exhibits; and defendants further admit that said Exhibits 32, 33, 34 and 35 may be introduced and received in evidence without further proof of authenticity, subject to the legal objections as to their relevancy and materiality."

\* \* \* \* \*

Mr. Harris: That is correct. As Exhibit 8 I wish to offer Exhibit 5, so identified in the pre-trial statement. [84]

\* \* \* \* \*

The Court: Very well. The one attached to the original pre-trial stipulation in the file, marked Exhibit 5 to that stipulation, will be marked. Any objection to the offer?

Mr. L. S. Lyon: There is no objection to this.

The Court: Very well, it will be received in evidence, marked Plaintiff's Exhibit 8.

Mr. Harris: Next, if the Court please, we offer as Plaintiff's Exhibit 9 the letter from the plaintiff to the Schick Dry Shaver Inc., dated January 30, 1941, being identified as Exhibit 18 in the pre-trial statement. [85]

\* \* \* \* \*

Mr. Harris: Very well. We shall offer this first letter, which is the pre-trial exhibit 5—excuse me—which is pre-trial exhibit 18, as Plaintiff's Exhibit 9.

We shall offer letter dated February 5, 1941, which is pre-trial statement exhibit 19, as Plaintiff's Exhibit 10.

We shall offer the letter dated February 10, 1941, which is marked as pre-trial statement exhibit 20, as Plaintiff's Exhibit 11.

We shall offer the letter dated February 17, 1941, which is pre-trial statement exhibit 21, as Plaintiff's Exhibit 12.

We shall offer the letter dated February 20, 1941, which is pre-trial statement exhibit 22, as Plaintiff's Exhibit 13.

We shall offer the letter dated March 9, 1941, which is pre-trial statement exhibit 23, as Plaintiff's Exhibit—excuse me, your Honor. We are not offering exhibit 23 attached to the pre-trial statement. That was an error.

We offer the pre-trial statement exhibit 24, which is the letter dated March 13, 1941, as Plaintiff's Exhibit 24.

The Court: That is the letter of March 13th?

Mr. Harris: The letter of March 13th.

The Court: From Merrick to Jones?

Mr. Harris: From Merrick to Col. Jones; yes, sir. Those are the only letters that the plaintiff is offering in connection with this transaction. [89]

\* \* \* \* \*

The Court: \* \* \* First, I will rule as to the admissibility of these exhibits 9, 10, 11, 12, 13, and 14 as to the first cause of action. I will overrule the defendants' objection with [91] respect to those documents, that chain of correspondence, in evidence as to the first cause of action. [92]

\* \* \* \* \*

Mr. Harris: Yes, your Honor.

Next, plaintiff wishes to offer the photograph which is attached to the pretrial statement as pre-trial exhibit 32. Plaintiff offers that as Plaintiff's Exhibit 15.

The Court: And again, you wish the photograph which is attached to the original pre-trial stipulation as exhibit 32 marked for that purpose?

Mr. Harris: I think that is desirable, if the court please.

The Court: Is there objection?

Mr. L. S. Lyon: If your Honor please, I would like the record to show by the exhibits, physical exhibits that have been received in the case, which physical exhibit that is a photograph of.

The Court: Very well. The first photograph which is attached to the pre-trial stipulation and marked exhibit 32 thereof is received now into evidence as Exhibit 15 upon the trial; and that is the photograph of which razor?

Mr. Harris: That is a photograph of Exhibit 3 in this case.

The Court: It is a photo of Exhibit 3 which is the Colonel, is that it?

Mr. Harris: That is correct.

Mr. L. S. Lyon: I ask that that photograph be received [95] subject to the same objections and the same rulings as the court made in receiving Exhibit 3.

The Court: Yes; the record will so show and the objections are overruled.

Mr. Harris: Next, the photograph attached to the pre-trial statement as exhibit 33, which is a side view of the Schick Colonel Shaver, Exhibit 3, is offered into evidence as Plaintiff's Exhibit 16.

Mr. L. S. Lyon: I ask that that exhibit, if received, be received subject to the same objections and the same rulings as were made with respect to Exhibit 3.

The Court: Very well; the record will so show, and the objections are overruled and the document is received as Exhibit 16 into evidence.



Mr. Harris: Next, if the court please, plaintiff offers into evidence the third photograph which is attached to the pre-trial statement as Exhibit 34, and plaintiff offers that photograph into evidence as its Exhibit 17.

Mr. L. S. Lyon: I ask that the last mentioned exhibit, the photograph, be received into evidence, if it is received, subject to the same objections and same rulings as were made in connection with receipt of Exhibit 3 into evidence.

The Court: It is stipulated, gentlemen, that the Exhibit 34 attached to the pre-trial stipulation is a photograph of Exhibit 3, the specimen razor the "Colonel" [96] in evidence?

Mr. Harris: That is correct, your Honor. The same applies to all these photographs that we are offering.

The Court: They are all photographs of the Colonel?

Mr. Harris: Of the Colonel, different views of the Colonel.

The Court: Very well. You said "his exhibit," you referred to the plaintiff, his exhibits?

Mr. Harris: That is correct; his exhibits.

The Court: Exhibit 34, the photograph attached to the pre-trial stipulation and so marked, will be received into evidence and will be marked in evidence Plaintiff's Exhibit 17.

Mr. Harris: Next in order, if the Court please, we offer into evidence the fourth photograph attached to the pre-trial statement and marked ex-



hibit 35 in connection therewith, which is a side view of the Shick Colonel Shaver, as Plaintiff's Exhibit 18.

Mr. L. S. Lyon: We ask that Exhibit 18 be received subject to the same objections and same rulings as were had and made in connection with the receipt of Exhibit 3, your Honor.

The Court: The record will so show. The objections are overruled and the photograph will be marked into evidence as Plaintiff's Exhibit 18. [97]

Mr. Harris: Next, if the court please, the plaintiff offers into evidence the stipulation supplementing the pre-trial statement, filed in this court on June 3, 1946, as Plaintiff's Exhibit 19.

The Court: Do you offer the entire document?

Mr. Harris: The entire document, if the Court please.

The Court: Do you desire it copied into the record at this point?

Mr. Harris: No; that is not necessary, if your Honor please.

The Clerk: Do you mind checking the record here? I have a document dated June 1, 1946. I wonder if we are referring to the same document.

Mr. Harris: This document is entitled "Stipulation Supplementing Pre-Trial Statement" and our record shows that it was filed on June 3, although it might have been filed on June 1st.

The Court: What does the file mark show, Mr. Clerk?

The Clerk: The file mark shows June 1st, 1946.

Mr. Harris: That is the document referred to, if the Court please. If I may examine it? Yes; examination shows that that is the document offered.

The Court: Then the "stipulation supplementing pre-trial statement," filed as one of the papers in this case on June 1, 1946, is received into evidence as Plaintiff's Exhibit 19. [98]

\* \* \* \* \*

### RALPH E. JONES

the plaintiff, called as a witness in his own behalf, having been first duly sworn, testified as follows:

The Clerk: Please state your name.

The Witness: Ralph E. Jones.

### Direct Examination

By Mr. Harris:

Q. Kindly state your age and residence.

A. My age is 62. My residence is 4150 Bradford Drive, San Diego 4, Calif.

Q. What is your occupation?

A. After a little over 35 years' service I was retired from the United States Army in 1939, due to physical disability.

Q. With what rank? A. Colonel.

Q. Are you the Ralph E. Jones named as the patentee in the patent in suit No. 2,228,768?

A. Yes, sir, I am.

Q. Are you, so far as you know, the owner of all right, title and interest in and to this patent?

A. Yes, sir. [100]

Q. You have never assigned it, or any part of it?

A. Never.

(Testimony of Ralph E. Jones.)

Q. During your Army career did you have any specialized training of any sort, or specialized duty?

A. I was with the tanks for five years.

Q. What did that involve, in a general way?

A. My particular assignment—first, I was assigned by the War Department to the Tank School of the Army as instructor for the officers' class there, and after I had served there one year I was selected to be on the Tank Board of the Army for the general work pertaining to that board, and specifically also for the purpose of writing a manual for the tank units and the equipment that the tanks, and the various kinds of equipment that those tank units used. At that time, as a member of the Tank Board, we had to make and recommend and design tanks. We had to test knowledge and construction pertaining to tanks, and various other articles, and to this equipment pertaining to the units that employed tanks, and I also commanded a tank battalion for one year.

Q. Did that work, in connection with that matter, require knowledge of the construction, detail, and features of the tanks, as employed by the Army?

A. Yes, sir, it did.

Q. I note that the patent in suit issued on January 14th, 1941. Did any other United States letters patent on, [101] or pertaining in any way to dry shavers, issue to you during the month of January, 1941?

A. No, sir, they did not.

(Testimony of Ralph E. Jones.)

Q. Have you ever obtained any other patent of any kind on electric shavers, other than the patent in suit? A. Yes, four others.

Q. Prior to the application that you made for this patent in suit, which is identified here as Exhibit 1, had you made any prior applications for patents on electric shavers, or for appliances in connection with electric shavers?

A. No, I had not.

Q. Are you a user of an electric shaver, Colonel Jones?

A. Yes, sir, I have used an electric shaver for a number of years. I have had and used five different types of Schick shavers, besides other makes.

Q. By Schicks, do you mean shavers made by the Schick Company?

A. Made by Schick, Incorporated, yes.

Q. When was it that you first used a dry shaver made by the Schick Company.

A. In the summer of 1935.

Q. Do you have that shaver at the present time?

A. No, sir, I do not. [102]

Q. What happened to it?

A. Oh, it was exchanged for a newer one, a little different.

Q. Do you have a drawing or sketch or illustration that would illustrate the type of cutting head that was employed on that shaver, which you say you used in 1935?

A. Yes, sir. I assume and believe that was the 1935 type of Schick shaver. It was the one that



(Testimony of Ralph E. Jones.)

preceded the one that had the S on the shell, and I have a copy here of the Schick patent that was applied for in September of 1935, and a profile view of the cutter head,—a transverse profile of the cutter head. It shows very sharp longitudinal edges on the cutter head, and while the shaver that I used in 1935 did not have probably edges as sharp as shown in this drawing, they were, nevertheless, very sharp when you consider that the shaver was manipulated on the surface of the face. This is the patent I refer to. [103]

Mr. Harris: May I ask that this patent be received into evidence as Plaintiff's Exhibit next in number, to illustrate the testimony of the witness?

The Court: The patent number?

Mr. Harris: Patent No. 2,051,106, issued on June 23, 1936, on an application filed September 20, 1935.

The Court: To whom? What is the name of the inventor?

Mr. Harris: Schick.

The Court: Schick.

The Clerk: Jacob Schick, your Honor.

Mr. Harris: If the Court please, that would be Plaintiff's Exhibit No. 20.

The Court: 20 received into evidence.

Q. (By Mr. Harris): Col. Jones, I show you Plaintiff's Exhibit 2. Do you recognize that device?

A. Well, it is a Schick shaver with the earliest form of whisk-it attachment.



(Testimony of Ralph E. Jones.)

Mr. L. S. Lyon: If your Honor please, I don't like to interfere, but the witness was asked if he could recognize something. That calls for a yes or no answer. I think he should not volunteer. It deprives us of an opportunity to object.

The Court: The answer "it is a Schick shaver" may stand. The remainder of the answer may be stricken. Does that meet your objection? [104]

Mr. L. S. Lyon: Yes, your Honor.

Q. (By Mr. Harris): Did you ever use a shaver of that character?

A. It does not appear to me that I did, because—may I say why?

Mr. Harris: No; it is not necessary, unless counsel wishes to cross-examine you.

A. The shell, the shell looks——

Mr. L. S. Lyon: I object to volunteering here, your Honor.

The Witness: The shell has the appearance of one that I used.

Q. (By Mr. Harris): I show you Plaintiff's Exhibit 3, identified in evidence. Do you recognize that device?

A. That is unquestionably the late type——

Mr. L. S. Lyon: I object to that. It calls for a yes or no answer.

The Court: Well, I can't tell him what to answer, but he may answer it. I take it when he says "that unquestionably is," that means that he recognizes it.

The Witness: I recognize this as——

(Testimony of Ralph E. Jones.)

The Court: Do not argue your answers, Mr. Jones.

The Witness: Yes, sir.

The Court: Just answer the questions as explicitly as you can. [105]

The Witness: I recognize this as the Colonel type of shaver. I don't mean by that the early Colonel type but the recent Colonel type that is still on the market. I have one just like it.

Q. (By Mr. Harris): I show you Plaintiff's Exhibit 4. Do you recognize that device?

A. Yes, sir. This is the Schick Super, a recent model.

Q. Have you been a regular user of Schick shavers since the summer of 1935?

A. Almost all of that time; yes, sir. I have used dry shavers all of that time. There was a period of perhaps six or eight months when I was using a Remington made by Remington-Rand.

Q. During that period, on an average how frequently have you used such a shaver?

A. I shave on an average a little bit in excess of once per day.

Q. Since the issue of your patent in suit on January 14, 1941, have you ever had any negotiations of any kind with Schick, Inc.?

A. Yes, sir. Yes, sir; I have.

Q. Who made the original contact in connection with those negotiations after the issuance of your patent?

A. Well, the actual starting of the negotiations was on [106] the initiative of Schick Corporation.

(Testimony of Ralph E. Jones.)

I had written a letter but they had not received it.

Q. Can you state when it was that you were first contacted by a representative of Schick Company?

A. Well, yes, sir; I can. It was either on the evening of January 21, 1941, or on the morning of January 22nd that I was contacted, perhaps not by an agent of the company, but by a friend of the general attorney of the company as a preliminary. [107]

\* \* \* \* \*

Q. (By Mr. Harris): Do you have any written record in mind that helps you fix this date?

A. Yes, sir.

Q. Will you produce it, please? What is it?

A. I have a diary, if I wish to refer to it.

Q. Will you refer to any entry in that diary which you say refreshes your recollection as to that date? [109]

\* \* \* \* \*

The Court: Are you attempting to lay a foundation to offer the entry?

Mr. Harris: Yes, your Honor.

The Court: Very well. He may identify a page without reading it. We do not want to hear the page.

Can you find anything in that diary that refreshes your recollection as to that date?

The Witness: Yes, sir. Yes, your Honor; on page 74.

The Court: All right. Did you make that entry?

The Witness: I made this entry on January the 21st.

(Testimony of Ralph E. Jones.)

The Court: What year? [110]

The Witness: 1941.

The Court: Is it your practice to make the entries on the same day that the event described occurs?

The Witness: Yes, sir. Yes, your Honor; it is.

The Court: Did you make that entry on that date, on the same day as the events referred to occurred?

The Witness: Yes, your Honor; I did.

The Court: Is it in your handwriting?

The Witness: It is; yes, sir.

\* \* \* \* \*

The Court: Do you have any independent recollection of the date now that you have refreshed your memory? In other words, do you remember the date?

The Witness: I don't know that——

The Court: Now that you have refreshed your memory, or are you relying entirely upon the book?

The Witness: I would know without the existence of this book that that date was just about January 21st.

The Court: And when you look at the book does that refresh your recollection that it was January 21st? [112]

A. Well, I know from the book that it was January 21st.

The Court: Do you know it by anything that you see in the book, apart from the date that is on the page?

(Testimony of Ralph E. Jones.)

A. Maybe I can best answer that question a little bit indirectly: That date of entry, when I see it, I know that I made it on the date entered.

The Court: In other words, you recollect, by looking at that book—your memory is refreshed as to what happened on that day?

The Witness: Yes, your Honor. [113]

\* \* \* \* \*

The Court: He says he refreshes his recollection, and his recollection is positive. Objection sustained.

Q. (By Mr. Harris): When did you first obtain a copy of your patent in suit?

A. On January 21, 1941. That was the original; not a copy.

Q. It was the original patent you received?

A. Yes, sir.

Q. What did you do, if anything, in connection with that patent, as relates to the defendants or either of them, in this case?

A. I received that patent in the morning, and I almost immediately composed and typed a letter addressed to the Schick Company, and I mailed the letter that same day.

The Court: That was the day of the 20th?

A. The 21st of January.

The Court: You received your patent that day, and wrote the Schick people the same day, is that correct? A. Yes, your Honor.

Q. (By Mr. Harris): I show you Plaintiff's Exhibit 8. [114] Is that a copy of the letter which you are now referring to?



(Testimony of Ralph E. Jones.)

A. Yes, sir, that appears to be a copy of the letter that I wrote on January 21st.

\* \* \* \* \*

The Court: \* \* \* Did you write this letter before you heard from this representative whom you say was a friend, some lawyer of the Schick Company?

The Witness: Yes, your Honor.

Q. (By Mr. Harris): How much before?

A. I think that I mailed the letter early in the afternoon, and I think that I got the telephone call the evening of the same date.

\* \* \* \* \*

Q. (By Mr. Harris): From whom?

A. Mr. Joseph Taylor, an attorney, of Los Angeles.

Q. What was said by you, and what was said by him at that time over the telephone?

Mr. L. S. Lyon: I object upon the ground first that the matter is incompetent; no foundation for receiving statements out of court between this witness and Mr. Taylor. And, [115] second, if this purports to go into the negotiations between the plaintiff and the defendant subsequent to the writing of Exhibit 8, that they are privileged, and in the nature of settlement negotiations. The witness at that time directed a communication and a demand to the Schick Company.

The Court: Is there any issue as to Mr. Taylor's authority to speak?

Mr. L. S. Lyon: No, there is no issue, your Honor. I don't think he had any authority to speak

(Testimony of Ralph E. Jones.)

for the Schick Company, but they are leading up to an introduction of an attorney that came out here later from the East, that did represent the Schick Company.

The Court: Is there any issue as to the Schick agent's delegation of authority to Taylor?

Mr. L. S. Lyon: Not when he arrived.

The Court: At the time of this conversation?

Mr. L. S. Lyon: No.

The Court: Objection overruled. I will receive the evidence. It is understood that no evidence is being received on the second cause of action, of course, to establish an oral contract for a license?

Mr. Harris: So understood. Your Honor understands also, of course, we urge that the evidence even as to that should be received under Rule 44 (c), but we understand your Honor's ruling is confined to that. I don't propose to argue the [116] contract question.

The Court: I understand you want to preserve your rights. All the evidence is, of course, with the understanding that you are offering it on both causes of action.

Mr. Harris: That is correct.

The Court: And you are asking as to any excluded evidence, the record may be made on it; as long as it is received in the record under the first cause of action that will be a record on the excluded evidence as to the second cause of action.

\* \* \* \* \*

(Testimony of Ralph E. Jones.)

The Court: What did Mr. Taylor say to you, and what did you say to him? Isn't that your question?

Mr. Harris: That is correct.

\* \* \* \* \*

A. The telephone in my house rang, and I answered it. The man said: "Is this Ralph E. Jones speaking?" or words to that effect. And I replied in the affirmative, and I think that he introduced himself as Mr. Taylor in Los Angeles. At [117] any rate, he asked me, in substance, "Are you the holder of a recent patent pertaining to electric shavers?" And I replied that I was; that it had just arrived, or words to that effect. And he asked me if I had formerly lived in Grand Rapids, Michigan, and I replied that I had, and I think as a matter of fact, that question came before the question about if I was the holder of the patent dealing with electric shavers.

\* \* \* \* \*

The Witness: He said, "I have a friend," or words to that effect,—“I have a friend that wants to come and see you about the patent, and we want to find out if we can come down to San Diego to see you,” and he asked me if I was planning to be out of town in the near future, and I told him that I was not planning to be out of town; that I would be glad to see them, and talk with them about the matter at any time.

The Court: Did he tell you who the friend was?

The Witness: No, sir, he did not. And he said that he would phone me later, shortly before they

(Testimony of Ralph E. Jones.)

came down to see me, if that was all right with me, and I replied that it was. And that ended that telephone conversation.

Q. (By Mr. Harris): Did you have any further conversation at a later date with this Mr. Taylor?

\* \* \* \* \*

A. A day or two later—I am practically certain it was on the morning of January 24th, I received another phone call from Mr. Taylor, and he asked me if it would be convenient for him and this other man interested in the shaver patent to come down and see me; that they contemplated driving down, and that they would arrive at San Diego at about 4:00 p.m. That would be on the 24th. And I said that would be fine; and that was that.

Q. (By Mr. Harris): How do you fix that date as the 24th? A. I remember that date.

Mr. L. S. Lyon: There is no dispute about the date.

A. It is in my diary, but I would remember it anyway.

Q. (By Mr. Harris): Did these two gentlemen arrive in San Diego as they planned? [119]

\* \* \* \* \*

Mr. Harris: That is correct.

A. They arrived at about 6:30 that evening.

Q. Did you have a conversation with them?

A. I did.

Q. Will you kindly state, as closely as you can, the exact conversation that was had between you and these two gentlemen?



(Testimony of Ralph E. Jones.)

A. I will state the essential elements of the conversation. It consumed more time than I will consume. [120]

The Court: Tell us the substance.

The Witness: Yes, sir. Mr. Taylor introduced himself to me as Mr. Taylor from Los Angeles. He introduced Mr. Merrick to me, as Mr. Merrick, and they stated that they had come to see me about the shaver patent, and I asked who they represented, and I think I asked the question a second time. Then I learned that Mr. Merrick was Mr. J. H. Merrick, general attorney for the Schick Company.

Mr. Merrick asked me, in substance, if I would like—well, I think first he asked me if I held that patent issued January 14th, and I replied that I did. He asked me, in substance, if I would like to sell it. I said I did not wish to sell it for a lump sum, but that I would like to arrange for an exclusive license on a royalty basis.

And he made some question or remark to this effect: Don't you think you could use a substantial amount of money right now to good advantage? And I replied, in substance, possibly, but I am in no hurry, and I would rather have my income from this, if any, distributed over a period of time. Mr. Merrick made, in substance, that same suggestion several times, and I replied each time in substance to the same general effect, that I have stated.

At about this point, I think it was Mr. Merrick, but I could not be positive it was not Mr. Taylor, asked, in almost precisely these words: "You want



(Testimony of Ralph E. Jones.)

to make a killing on this, [121] don't you?" And I replied, "No, I wouldn't say that, although possibly you might interpret it that way." I said, "The truth simply is this: That I do not want to sell my patent for a lump sum, and I do want a royalty that is fair and reasonable."

Mr. Merrick stated to me, in substance, that he was not authorized to negotiate with me for a royalty agreement, but that the president of the company, Mr. Cordner,—he said he was in Hawaii, or was on his way to Hawaii for a vacation, and possibly he could arrange to have Mr. Cordner come to Los Angeles and have a conference with him, and that possibly something might be negotiated. I agreed to that idea, and stated that I would be ready at any day, at any hour, to come up there for some conference, and with that the substance of this conference was terminated, and the two gentlemen took their departure.

Q. (By Mr. Harris): Did you have any further conversation with Mr. Merrick?

A. One of the two gentlemen specified—I did have such a conversation. One of them phoned me a little later, and asked me if I could come up to Los Angeles for a conference with Mr. Cordner on January 29th, and I asked what hour. He said about 11:00 o'clock, and I said that I could get up there about that time. I did not know just what time I could get from the train to the office. I was told I was to meet them in Mr. Taylor's office in the Bartlett Building, on West [122] 7th Street.

(Testimony of Ralph E. Jones.)

Q. Did you so meet them there?

A. I did meet them there.

Q. When was that?

A. That was January 29, 1941.

Q. Who was at that meeting?

A. Mr. Merrick and Mr. Cordner and myself.

Q. Was Mr. Taylor there?

A. I saw Mr. Taylor, but when we went into the room where the conference was to be held, Mr. Taylor was not present. Just the three of us.

Q. How do you fix the date on which this meeting was held?

A. I have never forgotten it. Besides that, it is in my diary.

Q. Will you kindly give us, as well as you can, the things that were said by you and by Mr. Merrick and by Mr. Cordner at that conference on the 29th of January, 1941?

A. Yes, sir. Most of this discussion was carried on between Mr. Cordner and me. Mr. Merrick interjected himself into it only rarely, and mostly when Mr. Cordner addressed Mr. Merrick.

I told Mr. Cordner, as I previously told Mr. Merrick, that I did not desire to sell this patent for a lump sum, and did wish to effect a royalty agreement for the exclusive [123] license. One of them said to me, in substance, they had been hoping I would be willing to accept something which would amount to about five or six thousand dollars a year, and so be fixed for the rest of my life. I commented upon that by saying that I thought I was properly

(Testimony of Ralph E. Jones.)

entitled to a specific royalty, and I believed that the royalty should properly yield more than that.

We had a little discussion as to how the royalty should be computed, on what basis, the retail price or the manufacturer's sale price. At first I favored and advocated the retail price, but I was talked out of that by the other two gentlemen, and yielded, and agreed that the manufacturer's sale price would be a suitable basis for the royalty. I suggested to Mr. Cordner that he offer me a royalty. He did not refuse to do so, but, on the other hand, he did not offer any. I asked Mr. Cordner, in substance,—let me see. What did I say just before there?

(Record read by the reporter.) [124]

The Witness: Will you please strike that last thing there that I started to say. I asked Mr. Cordner in substance about how many shavers they had been manufacturing per year; and he replied in substance that they hoped and expected to make and sell 400,000 shavers during the year 1941; that their recent sales, while they had been very good, had not been quite up to that figure.

I thought that over a little bit and then I made an offer to Mr. Cordner as the representative of Schick Company to grant them the exclusive license to this patent for a royalty of one and one-half per cent of the manufacturer's sales price with a down payment of advance royalties in the amount of \$30,000.

(Testimony of Ralph E. Jones.)

Mr. Cordiner commented upon that in substance as follows: That means a lot of money, more than is suitable or justified. In reply to that I raised the question as to the total percentage of the retail selling price that the manufacturer should have to expect to pay for such patent or patents as pertain to his product. The figure of four and one-half per cent of the retail price, which would be about 10 per cent of the manufacturer's sales price, was mentioned and Mr. Cordiner said in substance that, while that figure might be all right, it should cover all the patents pertaining to the product.

I think there was something else said right there. I [125] don't remember just what was said. But Mr. Cordiner, very shortly, asked me the question—oh, I know what it was.

I asked Mr. Cordiner in substance that if I should receive a royalty of one and one-half per cent of the manufacturer's sales price, about what would that yield me; and he replied in substance that that should yield me a quarter of a million dollars in a comparatively few years, something like six or seven years.

I think it was very shortly after that that Mr. Cordiner asked me if I would be willing to accept a royalty of one per cent on the manufacturer's sales price; and I replied that I would not be willing to accept that, at least not at that particular time.

At that point there was quite a period of stalling, sitting around there and nobody saying much of



(Testimony of Ralph E. Jones.)

anything, and after a time one of the gentlemen communicated with someone outside the room and apparently made arrangements or apparently passed word to the stenographer who had been waiting, that so far as they were concerned she would not need to wait any more; they didn't think they would need her.

And Mr. Merrick made a phone call there in the room in connection with the placing of plane reservations for departing from Los Angeles that night to fly to New York City. [126]

I decided to make a compromise offer and I offered Mr. Cordiner the exclusive license for a royalty of one and one-half per cent of the manufacturer's sales price until my royalties should total \$250,000, after which the royalty should be one per cent to the end of the life of the patent.

Mr. Cordiner commented as follows: "You drive a hard bargain. Is that the very best offer that you are willing to make?" And I replied in substance, "Yes; that is the best offer that I will make at this time."

The two gentlemen asked to be excused and they requested that I remain in the room. They went out of that room and closed the door. They remained out for a little time, I would say less than three minutes, and then they came back into the room.

Q. (By Mr. Harris): Excuse me, Col. Jones. Was there anything said before they left the room as to any advance royalties to be paid?



(Testimony of Ralph E. Jones.)

A. Oh, I inadvertently omitted that. In the compromise offer I also included one and one-half per cent to a certain point and then one per cent, with a down payment of advance royalties in the amount of \$30,000.

Q. Now, will you resume and tell us what happened in that room?

A. As they came back into the room I arose and Mr. Cordiner walked directly toward me, extending his right hand [127] and, as he came close, he said, "It's a deal." We shook hands and I replied, "It's a deal. That is fine."

Mr. Cordiner said to me in substance as follows: "Now, you won't attempt to negotiate a sale of this patent to anyone else after you have agreed to let us have it, will you?" And I replied in substance, "Certainly not. When I agree to a thing I keep my word, I stick to it."

I said to Mr. Cordiner in substance, "How are we going to go about putting this agreement in writing?" And he replied to me in substance, "The agreement will be drawn up in the main offices of the Schick Company. You may send to us such points as you would like to have included in the agreement and if possible, we will include them."

And then there was some sort of an agreement or understanding of the minor points could be ironed out through correspondence. And that was just about the end of the conference and I took my leave. By that time it was getting in the vicinity of 4:00 o'clock—I don't know just what time—and

(Testimony of Ralph E. Jones.)

I departed and returned to San Diego. The rest of the negotiations, of course, were in writing and are known to those concerned. [128]

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Q. Col. Jones, are you familiar with the specification and claims of your patent in suit?

A. I believe that I am reasonably so; yes, sir.

Q. Do you have a copy of your patent before you? A. I do; yes, sir.

Mr. Harris: I might say, your Honor, in connection with this line of examination that is to take place now, we asked the defendants certain interrogatories couched in the language of the claims of the patent. The defendants answered those interrogatories, or some of them, and said, "That we do not know what these terms mean," in effect. In other words, they avoided answer by the statement that they did not know what the interrogatories meant, the terms in [129] the patent meant.

Therefore, we propose to ask Col. Jones, who is the patentee of the patent in suit, and perhaps is as well, if not better, qualified than anyone else, to point out where in the patent in suit are these various elements that are referred to in the claims as to some of which at least the defendants have pleaded an ignorance as to the meaning, and let the record show where they are.

Q. Col. Jones, in the patent in suit do you find any showing or disclosure of a transversely slitted head?

(Testimony of Ralph E. Jones.)

Mr. L. S. Lyon: If your Honor please, I object to that as indefinite. If this is a word taken from one of the claims of the patent, I think it should be identified as to where it appears and in what claim; and if the witness is to be asked to place a meaning on it, I think he should be first asked if that meaning is stated or set forth in the patent.

\* \* \* \* \*

The Court: You proceed. I will overrule the objection to this question.

A. In Figure 5 this part identified as 12 is that transversely slitted channeled head. In Figure 3 the slits on what might be called the outer end of the head can be seen, slits marked 15, I guess.

The Court: Is that what they are, or 16?

The Witness: Of course, this slitted channeled head is within the outer shell and cutter.

Q. What number does that bear on the drawing?

A. The cutter is No. 18.

The Court: The specifications show "The outer end of this head is formed with transversely extending slots 15,"——

The Witness: 15, yes, sir.

The Court: —— "as shown in Figure 7, these slots being very close together and defining a transversely extending series of knives, as they may be called, 16." That is at the bottom of 1 and the top of page 2 of the specification. Doesn't that cover the situation?

Mr. Harris: That covers that first element. It does, [134] your Honor.

(Testimony of Ralph E. Jones.)

Q. Now, this head 12 that you have referred to, does it have at its outer longitudinal edges rounded surfaces, or are the outer longitudinal edges rounded?

Mr. L. S. Lyon: I object to that as leading and suggestive, your Honor, especially as he is taking disputed terms and putting them in the witness's mouth without any definition.

The Court: It is a matter of degree. Overruled. I can see they are rounded on Figure 5, aren't they, Figure 2?

The Witness: The rounded surfaces are shown as 14 in Figure 5 on each side of the flat face 16.

Q. (By Mr. Harris): Does the patent specification refer to such transversely rounded edges?

A. Yes, sir.

Q. Will you simply recite the page and column and line where reference is made to that feature?

A. Page 1, column 1, lines 43-45, reads: "Which rounded beads at their outer portions merge into the transversely straight surface of the channeled head." Just a moment. That is not what I really wanted.

The Court: Are you looking to 45-50 on page 2, column 1?

The Witness: Yes, sir. 46 to 48, page 2, column 1: "It will thus be seen that the lateral corners of the channeled head 12 are rounded by reason of the provision of [135] the beads 14," and also in page 2, column 2, lines 43 to 45, it reads: "The beads 14



(Testimony of Ralph E. Jones.)

extend, as before stated, longitudinally along the entire lateral faces of the head 13 at the outer end thereof."

Mr. L. S. Lyon: If your Honor please, I do not like to interfere, but unless this examination is confined to particular questions and specific answers that we can object to and follow, it is going to lead to a very complicated situation on cross-examination.

The Court: He is just helping us to find these in the patent. I can read it all and find it.

Mr. L. S. Lyon: Yes; I know. But the point is: What is he defining now? The term that he started out with——

The Court: He is asked to point out in the specification where these rounded edges commence, as I understand it.

Mr. L. S. Lyon: There is more to it than that. Claim 1 says "transversely rounded surfaces." What is "transversely" about it? That was in the question and we got off discussing——

The Court: "Transversely," means across, doesn't it?

Mr. L. S. Lyon: What is it?

The Court: "Transversely" means across the head, doesn't it?

Mr. L. S. Lyon: It means across something, but what? You will find here in this patent that we are going to run [136] into a great deal of contradiction about these terms and when it comes to comparing the Schick wisk-it structure with what is shown in



(Testimony of Ralph E. Jones.)

this patent, you are going to find some differences and you are going to be called on to construe some very particular language here. So that merely just saying there is something rounded, we can all look at the drawing and see whether a thing is rounded somewhat, although the patent does not say, and I am merely trying to avoid running into a difficulty that I can see we are going to get into in this case if we just forget what the question is and the witness talks beyond the question and not to the question.

The Court: Well, he has pointed out where he says in the specification these rounded surfaces are described, hasn't he?

Mr. Harris: I asked as to where he found in the patent, if he found it any place, the head having at its outer longitudinal edges transversely rounded surfaces.

The Court: They are called "beads."

Mr. Harris: And the witness has pointed that out, if the Court pleases.

The Court: As long as he calls them "beads" and gives them a number, and you can see a drawing of what he calls a bead, that is a definition, isn't it?

Mr. L. S. Lyon: I can't do anything more than at this [137] time endeavor to help the court by suggesting that we should confine the answer to a specific question, ask for an answer to a specific question. This question of the word "rounded" was only one part of this question, and we went off on

(Testimony of Ralph E. Jones.)

the proposition that if we can find something round here that is in answer to the question.

The Court: That is where he finds it. I don't know what it is all going to add up to.

Mr. L. S. Lyon: That is right.

The Court: I may meet the problem, but I haven't been confronted with it yet.

Mr. L. S. Lyon: I don't blame your Honor at all if you would. There is some language in this patent that I can't understand.

The Court: Perhaps I will see it after a time, if we go on into it. Put your next question, Mr. Harris.

Q. (By Mr. Harris): Col. Jones, in your patent is there any disclosure of the cutting head being provided with transversely rounded surfaces merging into the outer surface of the head?

A. Yes, sir. That is best shown in the drawing in Figure 5, where we see end view of this long channeled head. We see here these rounded surfaces 14 on either side of the flat cutting surface 16; and we see that those rounded surfaces 14 do merge into the flat face 16. [138]

The Court: Where is that described in the specifications?

The Witness: Just a moment, sir. One place that is found is in page 2, column 2, lines 47 to 51: "Thus smooth rounded surfaces are presented at the side edges and end edges of the head 12, permitting the razor to glide easily and smoothly over the face." [139]

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(Testimony of Ralph E. Jones.)

Q. (By Mr. Harris): In your patent in suit, Col. Jones, does the patent disclose a cutting head having a flat outer surface?

A. Yes, sir; it does.

Q. Where is that?

A. That is identified by No. 16 in Figure 5. It is that top surface of that figure. It is also seen in Figure 6 in a larger scale and identified by the number 16.

Q. Do you find reference to that in the specification?

A. Yes, sir. One place is on page 1, column 1, lines 43 to 45. It says: "which rounded beads at their outer portions merge into the transversely straight face of the channeled head."

The Court: "Straight surface of the channeled head," isn't it?

The Witness: Just a minute. "Straight surface of the channeled head," yes, sir; "transversely straight surface of the channeled head."

On page 1, column 2, lines 13 to 16, it reads: "A still further object is to so form the extremities of these guards that they are longitudinally rounded and merge at their upper ends into the upper flat face of the channeled head." There is that flat face of the channeled head.

Q. (By Mr. Harris): And does the patent disclose at any place how such a flat face terminates at either side [140] in rounded surfaces into which the slits extend?

(Testimony of Ralph E. Jones.)

A. That can be seen in the drawing in Figure 6. These slits 15 are shown there; and in the specification, one place is page 1, column 1. I guess that is lines 50 and 51: "Another object of this invention in this connection is to form these beads with slots."

And also, on page 2, column 2, lines 26 and 27, it reads "Another feature of my invention consists in forming the slots 15 in the beads 14." [141]

Q. Is the general head shown on your drawing in your patent, and described in the specifications? Is that an open end head?

A. Yes, sir, the open end of the complete head, including both the outer head and the cutter within, is shown here in Figure 5. Strictly speaking, the slitted channeled head, I presume is the outer head, and the channel within it is identified in Figure 5 by the number 17. The cutter is also shown in there.

Q. Is the showing made of the head being chambered to receive a reciprocating cutter?

A. Yes, sir, that is best shown in Figure 5, where the cutter 18 is shown with the slitted head 12, the lower part of the cutter being a relatively large block-like structure in its transverse section, and surrounding the hole above that part of the cutter is the thin part of the cutter that lies close to the channeled head.

Q. Is there any reference to that construction in the specifications?

A. Any reference to what?



(Testimony of Ralph E. Jones.)

Q. To that construction, in the specification.

A. On page 2, lines 4 to 8, it reads:

“The head 12 is formed with a longitudinally extending passage or channel 17 within which is disposed a reciprocating cutter shown in Figure 5 and designated [142] 18.”

Q. Does the drawing of a patent show such a cutting head, having an outer face and side faces, and will you point them out, if it shows such construction?

A. The outer face of that channeled head is the same as the end face on the cutting face shown in Figure 5 with the number 16. The side faces are those curved surfaces 14 on either side of 16, of that same figure.

Q. The curved surfaces 14, is the side face of the cutting head?

A. In between these side faces of the cutting head, this extended further downward, as shown on Figure 5, by the number 13.

Q. Is that construction of an outer face and side faces described in the specifications, and referred to, and if so, where is that?

A. Yes, sir, that is mentioned in several places. On page 1, lines 13 to 16—

The Court: What column?

A. Column 2, lines 13 to 16:

“A still further object is to so form the extremities of these guards that they are longi-



(Testimony of Ralph E. Jones.)

tudinally rounded and merged at their upper ends into the upper flat face of the channeled head”——

What was the question again, please? [143]

Q. Does the specification refer to this construction which you described as the head having an outer face and side faces?

A. Oh, yes. I will refer also to page 1, column 1, lines 55 to 59:

“That portion of the head which projects beyond the extremity of the handle has inwardly and upwardly inclined side faces 13 terminating in beads 14 which extend along the channeled head.”

Also page 2, column 2, lines 42, 43 and 44:

“The beads 14 extend, as before stated, longitudinally along the entire lateral faces of the head 13 at the outer end thereof.”

Q. Does the drawing show, and if so, point out, a handle having a transverse channel-like recess in its outer end?

A. Yes, sir, the handle is the part in Figure 1 identified by the number 10, which might also be called a shell or housing for the material. In Figure 5—what is the latter part of the question?

(Record read by the reporter.)

A. The transverse channel-like recess is in Figure 5, identified, I believe, by the number 11. It extends from this point downward to this point, and

(Testimony of Ralph E. Jones.)

across from this point up to this point. If the cutter head were removed there would simply be a channel through the end of the handle. [144]

The Court: The witness has indicated three sides of a right-angle appearing in Figure 5, one side of which is designated No. 11, is that correct?

The Witness: Yes.

The Court: The base of which has the number 25, and the other side of which has the figure 12, is that correct?

The Witness: That is correct, your Honor.

Mr. Harris: Do you find reference to such channel-like recess in the specification?

A. Yes, sir, on page 1, column 2, lines 51 to 53:

“Referring to this drawing, 10 designates a handle which is formed at its cutter carrying end with a transverse open-ended channel 10.”

11 designates that channel, although that Figure 11, in Figure 5, is directed by a lead line to one side of the channel.

Q. In the drawing of the patent in suit, is there illustrated a cutter reciprocating with the channel of the head?

A. Yes, sir, the cutter that reciprocates with the channeled head when the device is in operation is located here in Figure 5, and identified by the number 18.

Q. Is that referred to in the specifications, and if so, where?

The Court: Column 1, page 2.

The Witness: Column 1, page 2, yes, sir, starting with [145] line 5 read:

(Testimony of Ralph E. Jones.)

“The head 12 is formed with a longitudinally extending passage or channel 17 within which is disposed a reciprocating cutter shown in Figure 5 and designated 18.”

Wait a minute. That isn't right.

Q. (By Mr. Harris): 12 refers to the cutting edge, doesn't it?

A. 18 refers to the cutter, of course.

The Court: 19, the cutting knives, is that right—line 12, column 1, page 2?

The Witness: Yes, sir, the cutting knives of the cutter are designated as 19.

The Court: The cutter itself is 18?

The Witness: That is correct, your Honor.

Q. (By Mr. Harris): That is the reciprocal cutter, is it?

A. That is correct, sir.

Q. In the drawing of your patent are there shown any guard elements at the ends of the cutting head?

A. Yes, at the ends of the cutting head, each end of the cutting head, we find the guard element 20—one here; one here, in Figure 3. The end view of one is shown in Figure 2.

Q. Are those elements referred to in the specification, and if so, where?

A. Yes, they are. [146]

The Court: Column 1, line 30, page 2.

The Witness: Column 1, line 30. I don't quite see it there. We are speaking of the guards. We find on page 1, column 1, lines 54 to 57:

(Testimony of Ralph E. Jones.)

“A further object is to provide guards mounted upon the handle of the device and which extend across both ends of the channel-shaped edge.”

We also find a reference to that on page 1, column 2, lines 3 to 5:

“A still further object is to perform this function by the provision of two guards hinged to the handle or body of the device.”

And we can also find reference to that on page 2, column 1, lines 28 to 31.

“I have provided at each end of the channel 11 a guard, as shown in Figure 3. These guards are designated 20.”

The Court: Line 67, column 1, page 2.

The Witness: Which column did you say?

The Court: Column 1, page 2, line 67.

The Witness: Yes—no, I don't see that that has to do with the guards, sir.

The Court: The last paragraph, column 1, page 2, line 67:

“The guards 20 are held in the position as shown in [147] Figures 2 and 3.”

The Witness: Oh, yes. I misunderstood the line number:

“The guards 20 are held in the position shown in Figures 2 and 3 by means of a clip.”

Q. (By Mr. Harris): Does the drawing of your patent show such guard as having a longitudinally rounded surface at its extremity merging into the outer surface of the head at the ends thereof?



(Testimony of Ralph E. Jones.)

Mr. L. S. Lyon: I object to that as leading and suggestive. It puts a whole mouthful at the witness without any terms being defined. [148]

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The Court: The only place the head is mentioned is rounded?

Mr. L. S. Lyon: Not in the whole patent.

The Court: I don't know where the questions are coming from. Counsel can frame his question any way he pleases. They are not objectionable just because they quote from the patent.

Mr. L. S. Lyon: They are objectionable as leading and suggestive, for the witness to take three or four lines from the claim, and say: Do you find this? without anything else.

The Court: We have broad language. What is generally called leading and suggestive would not be called that in a patent case. If the witness says it is there, and if you can't find it, he can't go beyond what appears here. It is like an expert saying that some device is operative. If the Court does not believe it is, it doesn't matter whether he said it or not. You may answer.

The Witness: The rounded surfaces in the question are identified as Figure 3 as 2-A. It can be seen in Figure 3, as we come upward on these rounded surfaces, that they bend to the horizontal, and merge into that flat cutting face 16.

Q. (By Mr. Harris): You have referred to Figure 2-A. Is that 2-A or 24?



(Testimony of Ralph E. Jones.)

A. 24. That is rather a poorly made 24. That is the [149] number 24, identifying these curved surfaces at the outer ends of the guards. By "longitudinally rounded" we mean, of course, that we take this longitudinal surface, which is rounding up from the hinge toward the outer end, and we go up more or less to the proximity of the outer end, and the outer surface is curved inwardly toward the axis of the shaver. That longitudinal rounding is the kind of rounding we are talking about now, and is best seen in Figure 3.

Q. Do you find reference to such construction in the specification, and if so, where?

A. Yes, I do.

The Court: Line 41, column 1, page 2, is that right?

The Witness: Lines 41 to 45:

"Each of these guards at its outer end is rounded, as at 24, so that its outer face extends longitudinally of the guard and inward toward and merges into the flat upward face of the channeled head 12."

I think that is referred to in several places. On page——

Q. (By Mr. Harris): Colonel Jones——

The Court: He has not finished his answer.

Mr. Harris: Excuse me, your Honor.

A. On page 1, column 2, it speaks of the rounded ends of these guards so that no sharp end corners will be present in manipulating the device over the face. That is between lines 15 and 20, column 2,

(Testimony of Ralph E. Jones.)

page 1; the first part of that [150] paragraph starting on page 1, column 2, line 13, says:

“A still further object is to so form the extremities of these guards that they are longitudinally rounded and merge at their upper ends into the upper flat face of the channeled head.”

Q. (By Mr. Harris): Referring to the drawings of your patent, are such guard elements shown as being transversely rounded surfaces at their outer ends merging into the side surfaces of the head?

A. That is shown in Figure 3. These surfaces 24, by the shading. The shading indicates the lateral rounding of these end guards, and it also can be seen in Figure 2 where we see again 24.

Q. Is that referred to in the specification, and if so, where?

A. Yes, sir, we find that in the latter part of the paragraph I was just talking about, page 1, column 2, lines 16 to 21:

“and to form the extremities of the guards transversely rounded so that no sharp end corners will be presented in manipulating the device over the face.”

There is another mention of that on page 2, column 1, lines 48 to 53:

“while the ends of the channeled head are rounded off by means of the curved surfaces 24 of the guards and [151] the four junctions of these curved surfaces are also rounded.”

(Testimony of Ralph E. Jones.)

Q. Will you please point out where in the drawing such guard elements are shown as being parallel to the slits of the head?

A. Yes, they are shown from at least two views as being parallel in Figure 3, where we see the guard elements 20 up and down on the sides, and we see the slits 15, and we see that the slits are parallel to the guards. Then if we look at Figure 4 we get a different view of the slits 15. They also run up and down, and we see they are shown in the view also as parallel to these guards located at the ends of the cutting head.

Q. Does the drawing illustrate such guard elements as being hinged to the device?

A. Yes, sir, these guard elements are shown hinged in Figure 3, the pivot pin being identified by the number 23.

Q. In what direction do those guard elements move?

A. The top ends, as shown in Figure 3,—the top ends of the guards rotate respectively through their arcs, the right one rotating to the right about the pivot 23 at the bottom end of the guard, and the left one rotating to the left. That is to move them to an open position from the closed position indicated in Figure 3.

Q. Do you find reference to any such construction, and if so, where?

A. We find it on page 1, column 2, lines 33 to 37. It says:

(Testimony of Ralph E. Jones.)

“Figure 3 is a side elevation partly in section of the cutter carrying end of the handle, showing the manner in which the guards are pivoted to this handle and how these guards engage with the channeled member to hold it in place”;

Of course, that latter part is not relevant. We also find mention on page 1, column 2, line 3:

“A still further object is to perform this function by the provision of two guards hinged to the handle or body of the device,”

Also on page 2, column 2, lines 59 to 64, inclusive, the statement:

“then the guards may be turned down to a position at right-angles to the longitudinal axis of the handle.”

The Court: Where is that?

The Witness: Strictly speaking, the lines should be 59 to 62.

The Court: Column 2?

The Witness: Column 2, page 2, your Honor.

The Court: What line?

The Witness: About 60:

“then the guards may be turned down to a position [153] at right-angles to the longitudinal axis of the handle.”

The Court: I have it.

Q. (By Mr. Harris): And in the drawing are such guards shown as being relatively thick at a point coincident with the inner end of the longitudinally curved portion of its face?



(Testimony of Ralph E. Jones.)

Mr. L. S. Lyon: I object to that as leading and suggestive. The term "relatively thick," I don't know what it means. It is not relating to anything.

The Witness: I can explain that very readily.

The Court: I will sustain the objection in that form. Reframe it.

Q. (By Mr. Harris): Do you find any showing of the guards which are relatively thick at any point, in your patent?

A. In Figure 3, if we consider the upper end of this guard at the right, and if we consider what you might call a horizontal line about even with the bottoms of the slits, we can see how thick the guard is from right to left at the point that the outer surface of the guard starts to curve over to the left and merge into the cutting face 16.

The thickness there is a function of the radius of that curve, and vice versa, either way you want to look at it. If we have a relatively long radius for that surface we get comfort when the shaver is placed against the face; and if this were relatively thin at that point the radius would be [154] shorter, and the guard at that point would more nearly approach being an edge which might be less comfortable against the face.

\* \* \* \* \*

Q. What is meant by the phrase "bearing surfaces for the head" as used in your patent?

A. The bearing surfaces refer to these curves I have just been talking about. They bear against the face and keep the skin from being scratched by the sharp edges at the end of the cutter head.



(Testimony of Ralph E. Jones.)

Mr. L. S. Lyon: If your Honor please, I move to strike the answer as not responsive to the question.

The Court: Motion granted.

Q. (By Mr. Harris): Referring to the holes 35 shown in the drawing of your patent, are those holes of the same size as the channel 17 to which you referred in the cutting head?

A. No, sir. The hole 35 in Figure 2 is smaller than the hole in the cutter, the cutter being identified by 18 in Figure 5.

Q. What does your patent say as to the advantages, if any, which are to be derived from the use of these end guards to which you have referred?

The Court: Isn't that a matter of argument? We can read it.

Mr. Harris: Yes; we can.

The Court: Is there any occasion for expert testimony as to that?

Mr. Harris: I don't believe so, your Honor.

Q. Does this patent, Col. Jones, purport to cover only one feature or are more than one feature covered?

Mr. L. S. Lyon: I object to that, as improper to ask the witness what the patent purports to cover. It is a question at law for conclusion of the court.

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The Court: Sustained.

Q. (By Mr. Harris): On page 3 of your patent, in column 1, lines 1 to 12, there are set forth five advantages, so-called, which the patent states are

(Testimony of Ralph E. Jones.)

obtained by your construction. Referring to the first one, will you please explain to the court how the comfort for the person whose beard is being clipped or shaved constitutes an advantage of this device?

A. Without the features set forth in my patent, the skin of the person shaving would be confronted with four relatively sharp edges and four sharp points. By effecting this rounding so that these sharp edges and points cannot press uncomfortably or scratch the skin, we have the obvious advantage of comfort; but that includes an equally or more important advantage of making possible more rapid manipulation [157] and so reducing materially the time required for shaving. That is the most important, most valuable feature of my invention as I conceive it.

Q. From your experience can you state to the court how much quicker a shave can be obtained with such rounded end guards than without them?

A. Yes. I can state that it can be——

Mr. L. S. Lyon: I object to this, your Honor, on the ground there is no foundation laid.

The Court: Sustained.

Q. (By Mr. Harris): You have used the Schick shaver as exemplified by Exhibit 3, the Colonel shaver, I believe you testified, is that correct?

A. That is correct; yes, sir.

Q. Does your experience with such a shaver indicate that you can obtain a faster shave with that razor than with a Schick shaver without the end guards?

A. It does.

(Testimony of Ralph E. Jones.)

Q. And how much of a reduction in shaving time, so far as your personal experience is concerned, has been effected by the end guards in that case or whisk-its, as the defendants call them?

A. Well, if we start with the shaver before the whisk-its appeared, it cut my shaving time——

Mr. L. S. Lyon: I object to that—— [158]

The Witness: ——from about 20 minutes to about three.

Mr. L. S. Lyon: I object to that as not responsive to the question. He was asked a question about the Schick Colonel, and it avoids answering by giving an answer to something else.

The Court: Please read the question.

(Question read by the reporter.)

The Court: On what type of razor, on the Schick?

Mr. Harris: With any of the Schick shavers that the witness has employed. He has testified that he has employed the Schick Colonel shaver exemplified by Exhibit 3, and also the earlier forms that did not have the wisk-its attached, the end guards attached.

Mr. L. S. Lyon: If your Honor please, I think the witness has testified that he employed one razor which he thinks was the 1935 model, which he has testified was sharp. That is the only one he has testified to that effect. He has not testified that he ever made any comparisons with that device by putting anything on it.

(Testimony of Ralph E. Jones.)

He has testified that he has used a Colonel. He has not given any knowledge of ever having tried the Colonel with and without the whisk-its on it. I think, if we are going to have his conclusions, we should have a definite statement as to what his experiments were and what was employed in those experiments on which he bases those conclusions.

The Court: Lay a further foundation.

Q. (By Mr. Harris): Have you ever shaved with the Schick Colonel as exemplified by Exhibit 3, both with and without the whisk-its in the shaving position? A. Yes; I have.

Q. And what, if any, difference in shaving time insofar as your personal experience is concerned is obtained by the one or the other condition of the shaver during shaving?

A. I did not time that comparison, but I estimated that it cut the shaving time about in half, because I could manipulate so much faster with the end guards on.

I also used to shave with a "Captain" before and after putting the attachment in it, and found that I could decrease my shaving time due to the attachment that was placed on the Captain shaver.

Q. The Captain is the shaver that is exemplified by Exhibit 2 in this case, is that correct?

A. Oh, pardon me. I guess I have got that here. But this is not a Captain, not the kind of a Captain I had.

Q. You are referring now to Exhibit 2?

A. I am referring to that attachment. I am referring to that attachment.



(Testimony of Ralph E. Jones.)

The Court: By "attachment" what do you mean?

The Witness: I mean, your Honor, this attachment that [160] includes these two—

The Court: End guards?

The Witness: End guards. The attachment can be removed entirely from the shaver by unscrewing the set-screw.

The Court: Are you referring to the attachment that Mr. Lyon mentioned here at the opening day of the trial as having been sold separate from the razor?

The Witness: I am, your Honor.

Q. (By Mr. Harris): Col. Jones, in this list of advantages in column 1 on page 3 of your patent, the third advantage listed states that your type of construction obtains security against damage to fragile and expensive parts. How is that advantage performed?

A. That advantage is accomplished in a two-fold way. Probably most persons who have used an electric shaver for any long period of time have, sometime or other, dropped it—I know I have—and when it is dropped off there are end guards there and it would otherwise strike a hard surface, that is, putting the end edge of the flat shaving face in contact with the hard surface that was struck, damage would be done to an expensive part. With an end guard there is a considerable amount of protection against such damage in case the shaver falls. And in my construction there is a positive



(Testimony of Ralph E. Jones.)

mechanical blocking of the shaving head to the handle which cannot be dislodged by the normal vibration of shaving; whereas, of the five different types of Schick [161] shavers I have used at one time or another, every one has vibrated the set-screw loose so that the shaving head has come loose from the handle.

Mr. Harris: If your Honor please, so there is no question, plaintiff is not contending that the Schick shavers, any of them in suit, include this last feature of the mechanical locking between the end guards and the shaving head to retain the cutting head on the shaver.

The Court: I understood from Mr. Lyon's statement that the head of the Schick razor screwed on, has always been screwed on.

Mr. Harris: This is merely one of the other features of the patent.

The Court: Has a set-screw that holds the head on, is that correct?

Mr. L. S. Lyon: Yes, your Honor.

Q. (By Mr. Harris): The fourth advantage stated in column 1 on page 3 of your patent is an ease in disassembling for cleaning and ease in re-assembling the parts, Col. Jones, in what way is this an advantage?

A. In my type of shaver as described by my patent, removing the shaving head, if desired, for cleaning is a quick operation, flipping the spring out of place while holding the guards together, releasing them and picking the head out away from

(Testimony of Ralph E. Jones.)

the handle, and facilitating the cleaning [162] of both the end guards and the cutting head, as the end guards open out and the cutting head is immediately disengaged and ready for cleaning.

The Court: Does the cutting head just lay there on the handle and the two end guards come up and cover over the ends of it and hold it in place?

The Witness: Your Honor, these ends——

The Court: That is 24 I am referring to, point 24.

The Witness: Well, that is the end of the end guard, the outer end of the guard. Now, so far as holding the cutter in place, I mean so far as holding the cutting head in place with reference to the handle, that is accomplished down here near the pivot of the guard where the point in guard 27 locks against a lip at——

The Court: At 25?

The Witness: ——at the bottom of the end of the shaving head.

The Court: 25, isn't it?

The Witness: Yes, sir; 25. And so holds the whole cutting head down close against the handle; and these end guards, of course, also prevent the cutting head from sliding to the left or to the right, as shown in Figure 3; in other words, endwise of the cutting head.

The Court: Does one to remove the cutting head pull one of these guards back and down, away from the head and down? [163]

The Witness: That, of course, depends on the construction in this respect: That if there are

(Testimony of Ralph E. Jones.)

springs to maintain a tightness of the cutting surface of the cutting head against the cutting surface of the shell, then those springs will be pressing outward against the cutting head, and one should grasp the upper end of the shaver and, with one finger, flip away the spring, then allow the end guards to rotate outwardly and pick up the cutting head with the other hand and put it on a surface and clean everything up. On the other hand—this is just hypothetical—if there were no springs pushing upward, one then might rotate the end guards outwardly through an angle of about 90 degrees, and placing a forefinger at one end of the cutting head and the thumb at the other, he could then lift up the cutting head with his thumb and forefinger and very readily remove it.

The Court: What does your patent teach, that there is a spring there?

The Witness: Yes, sir. I think—oh, just a moment. The spring is no part of my invention. I don't know whether there is any mention of that spring or not. I guess there is not.

The Court: How would the head be held on?

The Witness: Oh, it would not interfere with the holding of the head on at all. The only thing is that in [164] the actual operation of a shaver there needs to be some means of keeping those two shearing surfaces in——

The Court: I am not referring to that. What holds these guards up against the sides of the head, ends of the head?

(Testimony of Ralph E. Jones.)

The Witness: Oh, there is a spring clip, the spring clip which is shown in Figure 2 as 29, and that is shown in Figure 8 as 29. And here you can see it again in Figure 3. You can see the ends of it.

The Court: And when you pull that, one takes a hand and grasps the upper portion of the guard and pulls it away from the body of the razor, and it would pivot on pivot 23, would it?

The Witness: Yes, sir.

The Court: And pull over?

The Witness: That is correct, your Honor. [165]

\* \* \* \* \*

Q. Col. Jones, have you made a careful study of the Schick Colonel Shaver as exemplified by Exhibit 3? A. I have.

Q. You have that exhibit before you, do you?

A. This is it.

Q. Do you find in this exhibit a transversely slitted channeled head? A. Yes; I do.

Q. Will you point out to the court where that is?

A. This shiny metallic shell is the transversely slitted channeled head.

Q. How is that attached to the body of the shaver?

A. It reposes in the open channel that exists in the end of the handle, and this set-screw passing through a portion of the handle bears against the side of the channeled head and so holds it in place.

Q. And in this device is there a cutter reciprocating or reciprocable within the channel of the head?



(Testimony of Ralph E. Jones.)

A. Yes; there is. The end of it can be seen at each end of the channel of the outer shell.

Q. Do you find in this exhibit that the head has at its outer longitudinal edges—that they are transversely rounded?

Mr. L. S. Lyon: I object to this, your Honor, as merely taking the claims of the patent and testifying as to infringement, which is a question for the court. They [169] are all leading questions and the terms have not been defined nor established, and we do not know in what sense the witness is using them.

\* \* \* \* \*

The Court: Well, I will sustain your objection upon the ground that you claim it is not a proper subject for expert testimony. [172]

\* \* \* \* \*

Mr. Harris: I will reframe it.

Q. Colonel Jones, where, in Plaintiff's Exhibit 3 do you contend is shown a head which at its longitudinal outer edges is transversely rounded?

A. I hold this Schick Colonel shaver in my hand, with the cutting head at the top, and the place for the electric wire at the bottom. On the side where there is a starting wheel, and where the set screw is, about a half an inch or so above the set screw there is an edge extending from whisk-its to whisk-its.

The Court: You are referring to the edge of the cutting head?



(Testimony of Ralph E. Jones.)

The Witness: I am referring to the edge of the cutting head. That cutting head, I contend, is rounded. Now we turn the shaver around, and we see the little red circle with Schick Colonel on it. We see the edge of the cutting head [175] more than an inch long on the opposite side. I contend that is also rounded.

Q. (By Mr. Harris): Do you contend that that is transversely rounded?

A. I do, transversely of the longitudinal axis of the cutting head.

The Court: You mean across?

The Witness: Across. Here is the longitudinal axis of the cutting head transversely across that axis.

Q. (By Mr. Harris): In connection with this Exhibit 3, do you contend that such transversely rounded surfaces merge into the outer surface of the head? A. I do.

Q. Do you contend that the outer surface of the head in Exhibit 3 is a flat surface? A. I do.

\* \* \* \* \*

Los Angeles, California

Wednesday, September 24, 1947, 10:20 a.m.

\* \* \* \* \*

Q. (By Mr. Harris): Col. Jones, you had before you yesterday at closing time Plaintiff's Exhibit 3 which I present to you at this time.

The Court: Exhibit 3 is the—— [179]

(Testimony of Ralph E. Jones.)

Mr. Harris: That is the Schick Colonel Shaver, if the Court please.

Q. With reference to that exhibit where do you contend that there is to be found in that exhibit elements disposed at the ends of the channeled head?

A. Those elements are these hinged members called whisk-its, one on each side, that close up against the ends, each one closes up against its end of the channeled head.

Q. And where do you contend that each of those whisk-its or elements has a longitudinally rounded surface at its extremity merging into the outer surface of the head at the ends thereof?

A. If we hold the shaver with the cutting head up and one of the flat sides toward us, we get in profile at one of the upper corners the curvature of the longitudinally rounded surface ; and, as we go upward toward the longitudinal axis of the shaver along that curve, we come to the end of the curved surface which merges into the face, the cutting face of the shaver.

Q. These elements that I have given you and you have identified as being found, according to your contention, in the Schick shaver, Exhibit 3, are the elements of the claim 1 of your patent. Have you made any chart or diagram or illustration showing this contention of yours as to where these elements are found which might be helpful to the court? [180]

A. I have.

Q. Will you produce it, please?

A. Here it is, sir.

(Testimony of Ralph E. Jones.)

Mr. Harris: May we have this chart marked for identification as Plaintiff's Exhibit next in order?

The Clerk: 21 for identification.

The Court: Does that apply to only claim 1?

Mr. Harris: Only to claim 1, your Honor.

The Court: Of the patent in suit?

Mr. Harris: Of the patent in suit.

Q. Mr. Jones, will you explain what this diagram is intended to illustrate and how it is to be read?

A. This sheet has on it three diagrams, three different views outlined of the Schick Colonel shaver. I took the one claim and clipped it out and clipped it into parts that seemed to be suitable for indicating where the different parts of the device, as mentioned in the claim, could be found in this type of Schick shaver.

Q. What do these numerals in ink indicate on this exhibit for identification?

A. The successive elements of the claim, as clipped out, were given successive numbers, 1-2-3 and so on, as they appeared, and they were placed on the diagram as a whole, starting at the top and working down toward the bottom; and where the same element appeared in a different view, that same identifying number was used to identify that same part in the different view.

Q. Was this diagram made by you or under your direction?

Mr. L. S. Lyon: I object to that as indefinite. I would like to know whether it was made by him.

(Testimony of Ralph E. Jones.)

Q. (By Mr. Harris): Will you state the extent to which this was made by you?

A. The artist's work of placing the basic diagrams on paper was not done by me, nor was the——

The Court: By that you mean the diagram that purports to be a diagram, or three diagrams, showing different views of the Schick Colonel razor, is that it?

The Witness: That is correct, your Honor. And this heading in large letters was not made by me. But I took such a diagram, as you might say, in blank and I studied claim 1 and I divided it into parts and then I clipped out from a copy of the patent claim 1 and I clipped it into those same parts; and I studied to see where those parts, as taken from the claim, could be found in these three diagrams on the sheet of paper and I pasted those clipped parts onto that piece of paper and I assigned numbers to them, and I drew lines from the numbers to the parts as illustrated in the diagram. And after I had completed this, a draftsman inked in my pencil work and the thing was later copied [182] photographically so that the clipped paper of printing would not be scraped off accidentally, I presume.

Mr. Harris: This diagram, Exhibit 21 for identification, is offered into evidence as Plaintiff's Exhibit 21-A to illustrate the testimony of Colonel Jones.



(Testimony of Ralph E. Jones.)

Mr. L. S. Lyon: Objected to upon the ground that it is not proper evidence.

The Court: It is offered only to illustrate what he said were his contentions. You permitted him to state what his contentions are. [184]

\* \* \* \* \*

The Court: Is it with that understanding that you withdraw your objection?

Mr. L. S. Lyon: Yes, with that understanding, I have no objection to these charts.

The Court: Being purely illustrative of the contention [186] of the plaintiff, which he has been permitted to state.

Mr. L. S. Lyon: Yes. Mr. Harris has a similar chart for each and every claim. To save time, if permissible, he can identify the chart, and state that is the basis of each particular claim relied on, without going through laying the foundation further, because that will really save time, if he wants to do it.

Mr. Harris: It was my hope that we could do it that way.

The Court: Exhibit 21 for identification will be received in evidence for the limited purpose stated. If you have other charts, pursuant to the stipulation tendered by Mr. Lyon they might be offered now.

Mr. Harris: Your Honor, may that be Exhibit 21-A into evidence, so we may number the other charts 21-B, C and so forth?



(Testimony of Ralph E. Jones.)

The Court: 21-A will be the chart just discussed, being a chart showing plaintiff's contention, as I understand it—correct me if I am in error—a chart showing where plaintiff contends Exhibit 3, the Schick Colonel, infringes Claim 1 of the patent in suit.

Mr. Harris: May I correct you on this exhibit, your Honor, that it is a chart which shows wherein the plaintiff contends that the elements of Claim 1 of the patent in suit are to be found in the Schick Colonel shaver, exemplified by Exhibit 3. I make a distinction between whether the elements [187] are found, and whether he contends it infringes or not. His contention is that the patent infringes. It is simply a contention by him that these elements, and each of them, of the claims are found in the Schick shaver, Exhibit 3.

Q. Colonel Jones, have you prepared similar charts illustrating your contention that each of the other claims in suit, the elements of it, are found in the Schick Colonel shaver, Exhibit 3?

A. Yes, I have 17 altogether.

Q. Are those other charts available here?

A. They are.

Q. Will you produce them, please?

A. Here they are.

The Court: Mr. Harris, I believe your notes are probably here.

Q. (By Mr. Harris): And these further charts you have produced, Colonel Jones, were they made by you, or under your direction, in the same manner as to which you have testified Exhibit 21-A was made?

(Testimony of Ralph E. Jones.)

A. In precisely the same way, so far as I am concerned, yes.

Mr. Harris: These charts are offered into evidence as Plaintiff's Exhibits 21-B——

The Court: Would it be better to have them taken seriatum, and have him state what each one successively shows, and each one should be given the number of the exhibit, 21, and the next consecutive letter.

Mr. Harris: Very well, your Honor, but I thought perhaps that would take considerable time, which I wanted to avoid, if possible.

The Court: Are the charts themselves titled so as to state what they purport to show? Let me put it this way: Do all of them deal with Exhibit 3, the Schick Colonel?

Mr. Harris: They all deal with Exhibit 3, and each chart separately shows plaintiff's contention as to how a particular claim in suit, and the elements of it, are to be found in the Schick Colonel shaver.

The Court: Very well. The only difference is that each separate chart takes up a separate claim?

Mr. Harris: That is correct. The claim number is on the top of each separate chart.

The Court: Very well. They will be received in evidence, and the clerk will number the exhibit following Claim 1, in consecutive order. That will be Exhibit 21-B. Would you care to identify it?

Mr. Harris: Just briefly, for the record. The chart referring to Claim 11 is offered as Plaintiff's Exhibit 21-B;

(Testimony of Ralph E. Jones.)

The chart referring to Claim 17 is offered as Plaintiff's Exhibit 21-C;

The chart referring to Claim 18 is offered as Plaintiff's [189] Exhibit 21-D;

The chart referring to Claim 19 is offered as Plaintiff's Exhibit 21-E;

The chart referring to Claim 20 is offered as Plaintiff's Exhibit 21-F;

The chart referring to Claim 22 is offered as Plaintiff's Exhibit 21-G;

The chart referring to Claim 23 is offered as Plaintiff's Exhibit 21-H;

The chart referring to Claim 24 is offered as Plaintiff's Exhibit 21-I;

The chart referring to Claim 25 is offered as Plaintiff's Exhibit 21-J;

The chart referring to Claim 26 is offered as Plaintiff's Exhibit 21-K;

The chart referring to Claim 27 is offered as Plaintiff's Exhibit 21-L;

The chart referring to Claim 28 is offered as Plaintiff's Exhibit 21-M;

The chart referring to Claim 29 is offered as Plaintiff's Exhibit 21-N;

The chart referring to Claim 30 is offered as Plaintiff's Exhibit 21-O;

The chart referring to Claim 31 is offered as Plaintiff's Exhibit 21-P; [190]

And the chart referring to Claim 32 is offered as Plaintiff's Exhibit 21-Q.

(Testimony of Ralph E. Jones.)

Mr. L. S. Lyon: It is my understanding, with reference to the use and receipt of Exhibit 21-A, that that will be understood as applying to this entire series 21-A to Q, inclusive?

The Court: Yes, 21-B to Q inclusive will be received in evidence for the limited purpose heretofore stated with respect to Exhibit 21-A.

Q. (By Mr. Harris): Colonel Jones, yesterday, in response to a question from the court, page 164 of the record, you referred to rotating the end guards of the shaver illustrated and described and disclosed in your patent, 90 degrees, or through a 90-degree angle, and also referred to the matter of springs pushing on the cutting head outwardly. I don't think the record is clear on that, and I would like to have you explain what you meant by these references that you made yesterday to those features. [191] Well, if I might, I would first like to state that at that time yesterday I was under the impression that, according to the drawings in my patent, the guards could be rotated approximately 90 degrees; but after those questions yesterday, I last night examined the drawings again carefully and my examination indicates to me that the guards cannot be rotated that far, as shown in the drawings. They can be rotated, I would say, through an arc of between 45 and 60 degrees.

Q. That is the maximum rotation?

A. Maximum rotation outward and downward of each particular guard. Shall I go on about the spring?



(Testimony of Ralph E. Jones.)

Q. If you will, please.

A. I was influenced yesterday by something rather extraneous, but I wish to say this about the springs in the Schick shaver. In December of 1935, when I applied for this patent, in the Schick shaver selling at that time there were two springs to hold the cutting surface of the cutter 18 in closely against the cutting surface of the outer shell at 16. Those springs, however, were entirely located in the base portion of the outer element of the cutting head, this outer element being identified as 12 in Figure 5. The amplitude of motion of those springs in pressing the cutter up, I would think would be in the vicinity of  $1/32$ nd of an inch. Those springs merely actuated between the [192] outer shell of the cutting head and the inner cutter. They had no tendency whatever to lift the cutting head as a whole from its base in the handle against which it rested at any time under any circumstances. Consequently there was nothing in the construction of the shaver, as illustrated by my patent, to cause or tend to cause the cutting head to be dislodged from its proper position in the handle when the guards were rotated to their open positions.

Q. Also, yesterday, at page 157 of the record you referred in speaking about the advantages of your construction as shown in your patent, you referred to the head as having or there being four relatively sharp edges and four sharp points that might press uncomfortably against the skin of the user. Will you point those out with a little more exactitude so that we may have the record clear?



(Testimony of Ralph E. Jones.)

A. The four edges that I referred to then consisted of two short edges found at the ends of the cutting head and in proximity to the respective ends of the cutting face; and the other two long surfaces that I referred to were the—or I beg your pardon—not “long surfaces” but long edges—long edges that I referred to were those edges at the respective sides of the cutting face which, in my patent, are rounded and called beads.

Just let me go on just a little further. These four edges form the boundaries of the cutting face of the outer [193] shell of the cutting head of the Schick shaver, and the junctions of those four lines constitute the four points that I referred to.

However, there are other edges. There are edges extending downward from those points, if the shaver is held in a vertical position with its cutting head up. There would be four of those also. They are not quite so important from the standpoint of discomfort as the four mentioned.

Q. Does any view of the drawing of your patent illustrate those four edges that you first mentioned?

A. Yes, sir. They can be seen in Figure 4, the outline of the cutting face of the outer element of the cutting head.

The Court: Is not the shaver always supposed to be held at right angles to the surface being shaved?

The Witness: Very closely at least, your Honor. I remember sometimes I have experimented shaving

(Testimony of Ralph E. Jones.)

purposely with a slight deviation from that, possibly like you see a surf board scooting along on the surface of the water.

The Court: But, for the most satisfactory result, the shaver should be at right angles, the handle of the shaver should be at right angles to the surface being shaved?

The Witness: Generally speaking, I would say yes, sir, your Honor. However, in the early types of Schick shavers that I used, I found that that sharp front edge did less damage to my skin if I elevated it a little bit, the front [194] edge as you are moving.

The Court: You mean if you hold it a little bit off the 90 degree angle, is that it?

The Witness: Yes, sir; a little bit off the 90 degree angle.

The Court: Upward?

The Witness: So that it would move as a toboggan on the skin, sort of.

The Court: But would any other part of the razor touch the skin except the shaving head, if it is held properly?

The Witness: Well, yes, sir; it would. May I illustrate that in this manner? Suppose that you have a shaver of this kind with no guard elements at the ends.

The Court: You are referring to the shaving head now?

The Witness: I know, we are referring to the shaving head.

(Testimony of Ralph E. Jones.)

The Court: By "guard elements" you mean the ends or sides, is that it? What do you call the sides?

The Witness: I call the sides these long portions.

The Court: The long face of it?

The Witness: These sides that are more than an inch long, I call them the sides in speaking of the shaving head.

The Court: At the widest dimension of the handle or of the head, you call the sides?

A. Yes, sir. [195]

The Court: And the narrowest dimension you call the end, is that it?

The Witness: That is correct, your Honor.

The Court: Very well.

The Witness: Now, if a man is shaving with a shaver of this type and it has long end guards, and he is shaving his neck and he is moving it perhaps diagonally from below his ear and below his jaw up toward the point of his chin, moving it quickly, trying to get a shave within a reasonable time, he runs into a concave portion of his skin and the end portion of this cutting head will protrude and cause the skin to adapt itself to the shape that exists there on the shaver and it will form a sharp recess in the skin, and through that recess which must be continuously formed as the shaver moves will be forced this rather sharp edge, giving the scratching effect, and the skin will be not only in contact with the shaving face, it will be in contact with the surfaces at the end of the shaving head, there being no guard there to keep the skin away from that particular

(Testimony of Ralph E. Jones.)

place. So, for that reason, I say that the skin does not come in contact with other parts of the shaving head than merely the shaving face of the shaving head.

The Court: My question was—I can see from your illustration that the ends of the shaving head would come in contact with the skin, particularly in shaving the neck [196] and chin—but I am referring to other parts of the razor than the shaving head itself.

The Witness: Oh, I am sorry, sorry I did not understand your question. No; no other part of the shaver excepting the shaving head, in the absence of guards, should come in contact with the skin.

Mr. Harris: Council may cross-examine.

The Court: We might take the morning recess at this time of five minutes.

(Short recess.)

### Cross-Examination

By Mr. L. S. Lyon:

Q. Col. Jones, before you filed your patent application did you construct or have constructed a razor embodying the improvements that are referred to in your patent in suit? A. No, sir.

Q. Have you ever? A. I have never.

Q. I show you a razor and ask you to examine it and state whether or not it embodies the improvements which you refer to in the patent in suit?



(Testimony of Ralph E. Jones.)

Mr. Harris: May the witness take this shaver apart?

Mr. L. S. Lyon: Oh, certainly, certainly.

A. May I say, first, sir, that this has a different construction [197] than my patent shows?

Q. In what respect?

A. There are apparently springs here that push this shaving head hard up away from the handle. I believe springs of this general nature appeared in the Schick product some years after my patent was applied for.

Q. Would the fact that such springs were embodied in the razor mean that your improvements did not apply?

A. Well, it would mean that this sort of a construction would be unsatisfactory and unacceptable so far as use as a shaver is concerned, in my opinion.

Q. Why?

A. Well, it would tend to throw the cutter head out away from the handle.

Q. You mean the construction shown in your patent would not apply or could not be used satisfactorily with the shaver having those springs in it?

A. Yes, sir.

Q. Otherwise than that and if you can, eliminating from consideration those springs, do you find the improvements referred to in your patent embodied in the model or specimen that I have just handed you?



(Testimony of Ralph E. Jones.)

I don't want to approach the witness if the Court would prefer I stand over here, but when he has the model, your Honor, I find it a little more convenient if I may. [198]

The Court: Whatever is practicable.

Mr. L. S. Lyon: Judge Trippett used to accuse the patent lawyers of always walking around the witness and would say, "You patent lawyers go back and sit down."

The Court: It is very difficult, sometimes, if the witness is looking at something and you want to see it, too, unless you have a duplicate of what he is looking at.

Mr. L. S. Lyon: I have.

The Court: It is very difficult to examine.

A. I noticed that, considering the angle to which one of these guards may be rotated, the lip 27 is down to such a low position that it would no longer resist longitudinal movement of the cutter head. However, that would not be of any great significance but it is a fact that these open farther than that drawing in my patent permits. There may be other slight differences but, in general, with the exceptions stated, at this hasty examination of mine, it appears that this is similar to the construction advocated by my patent.

Q. (By Mr. L. S. Lyon): And by "similar" you mean that it embodies the improvements that are set forth in your patent?

A. Well, in some degree at least. I don't know whether these transversely rounded surfaces—it ap-

(Testimony of Ralph E. Jones.)

pears to me that those transversely rounded surfaces of the guard [199] elements are not as well rounded as in my patent, possibly.

Q. Does your patent depend in that respect upon any particular amount of rounding?

A. Well, only in that a very minute amount of rounding would not do much good.

Q. How much rounding would it require?

A. Well, that is a rather difficult question for me to answer.

Q. Well, did you ever conduct any experiments to find out?      A. No; I didn't.

Q. Have you ever conducted any to find out?

A. I did my every-day shaving ever since I first used an electric shaver, have been in a measure experiments to find out such things as that.

Q. Do you know how much rounding you would have to embody to be practical and successful?

A. It is not possible, I believe, to fix any precise line of demarcation. A liberal rounding is preferable to a minor rounding. I think I might say that my preference is for a liberal rounding and that I really intended a more liberal rounding than is shown in the drawings, but that is beside the point.

Q. Will you refer to your patent, to any place in your patent that states that there shall be a liberal rounding or how much rounding there shall be?

A. There is a point in the patent where it says that the guards at the inner end of the longitudinal rounding are relatively thick. The thicker the guards are at that point the greater is the radius

(Testimony of Ralph E. Jones.)

of the rounding; and that very point is indicative of the need for the guards, because you cannot round the relatively thin metal of the shaving head at the end. If you extend the metal around there, you would not be able to get the cutter out of the outer shell.

Q. Then what you mean to say is that the amount of rounding will depend upon the thickness of the end of the guard at the point marked 24 in your patent, is that right?

A. When we are speaking of longitudinal rounding—well, and that would apply also to transverse rounding, provided the transverse rounding was done—I mean the thickness is necessary for the rounding. You might have the thickness without having the rounding.

Q. And you could have a thick end on your guard 20 of your patent and have a very slight amount of rounding, could you not?

A. Yes, sir; that could be done.

Q. Is there anything in your patent that tells you how much rounding to employ on these ends of your members 20 of your patent?

A. I think there is, although not precisely. I think that is indicated in this way: That the very first mention [201] of the purpose of the patent, or the criticism of the prior art, is that need for the rounding the sharpness of those edges.

Q. Now, will you examine the thickness of the ends of the guards 20 on this specimen that I have handed you, and state whether or not those ends are

(Testimony of Ralph E. Jones.)

sufficiently thick to accomplish the improvement you have set forth in the patent in suit. [202]

A. Well, I have no micrometer to measure this thickness. It looks a little skimpy to me. I would prefer that it be thicker, and more fully rounded.

Q. You say you would prefer it. Can you state whether or not it is sufficient, as it appears in this model or specimen that I have handed you?

A. It is certainly sufficient to give a very great deal of improvement and comfort over the absence of any guards.

Q. But is it sufficient for the purpose stated in your patent?

A. That demands a relative answer, it seems to me.

The Court: The question is, how does it appear to you, from your examination?

The Witness: It appears to me to be sufficient, although not as much as desirable.

Q. (By Mr. L. S. Lyon): Does your patent in suit teach——

The Court: Don't you think we had better mark this specimen, so the record will be clear?

Mr. L. S. Lyon: The model which the witness has examined, which he has referred to in his testimony, is offered in evidence as Defendants' Exhibit No. A.

\* \* \* \* \*

The Court: You will have ample opportunity to examine it, Defendants' Exhibit A, the specimen razor concerning which the witness has just testified, is received in evidence.



(Testimony of Ralph E. Jones.)

Q. (By Mr. L. S. Lyon): In addition to the thickness of the end of the guard 24, the effect that you are seeking to produce by rounding that end depends upon the angle at which it is rounded, doesn't it?

A. I don't think I understand just what you mean by the angle at which it is rounded.

Q. What do you mean by "rounded" in your testimony?

A. Well, rounding is perfectly ideal for the purpose. It would probably be cylindrical rounding or spherical rounding, or comprised between the two.

Q. I am trying to find out what it is, as described in your patent, and as you have used the term in your testimony.

A. Are you referring particularly to the end guards?

Q. I am talking about the rounding of the ends of the guards 20. [204]

A. The ends of the guards 20, as contemplated and expressed by my patent, are longitudinally rounded and transversely rounded, and I believe there is something in the patent—I don't remember the words, but it indicates that the junction of those two rounded surfaces is also rounded.

Q. Colonel Jones, I want you to feel free to look at the patent at any time during the cross-examination. You have the patent in front of you. I don't want to ask you to rely on your recollection unless you are sure you remember what the patent



(Testimony of Ralph E. Jones.)

states. This matter of adding comfort to the Schick razor, which you referred to on your direct examination, depends entirely on eliminating the sharp corners, or sharp edges at the razor head, is that correct?

A. Yes, I think that is correct. However, I would like to qualify that by saying I think a little preferred phraseology, although not in any way different from the obvious meaning of my patent, is to refer to the edges possibly where three surfaces make a point. That is, of course, very objectionable from the standpoint of comfort.

Q. I am using the word "corner" in the same sense you use "points"—do you understand that?

A. Yes.

Q. So far as improving the comfort in the Schick razor is concerned, by what is shown in your patent in suit, that improvement is accomplished entirely by eliminating the sharp [295] corners or points or sharp edges, is that correct?

A. That is correct, provided that we mean by that the substitution of curved surfaces or rounded liberal radius.

Q. The value of that radius is in no case in the specifications of your patent in suit, is it?

A. Well, yes.

Q. Will you turn to the specification and point to any place in the wording of the specification which specifies the value of that radius? At any time in this examination, Colonel Jones, that it will take a considerable time to arrive at an answer, because

(Testimony of Ralph E. Jones.)

you have to examine the document, or something, and you would rather make that examination during the recess, to save the court's time, you can take the question under advisement, as we say in our calculating machine case.

A. I am not sure that I can find an answer to that question immediately. I hardly think it ought to be necessary, because what I refer to is just what you doubtless recall. It says that the guards at this certain point are reasonably thick. That starts a curve more or less as a 90-degree segment of a circle.

Q. You can have just as little rounding on an edge or corner of a guard 20 having a thick end as with a thin end?

A. These are rounded the maximum of that thickness.

Q. Does the specification so state? [206]

A. The drawings so show.

Q. Does the specification so state?

A. Not in those words, no, sir.

Q. Supposing you merely beveled off at a 45-degree angle the edge at the end of the guard 20, instead of rounding it off, would that add any comfort to the shaving with the Schick razor?

A. If that bevel went right up to a sharp point, so far as the guard was concerned, the guard, of course lying adjacent and against the end of the cutting head, that would not add comfort.

Q. Would it eliminate discomfort if the edge was beveled off?

(Testimony of Ralph E. Jones.)

A. I visualize this beveled off surface approaching the cutting face of the head at an angle not very far distant from a right angle. And in that case I don't see how any comfort would be added. The end of the guard would be more or less of a sharp edge resting against the end of the cutting head at its cutting face.

Q. I am referring now to the numeral 20 as applied in the upper right-hand view of Figure 3 of the drawings of the patent in suit. That numeral 20 is applied to a curved surface, is it not?

A. Yes, sir.

Q. Supposing that that, instead of being a curved surface, was beveled off at 45 degrees, would that eliminate any of the tendency of the edge that would otherwise be formed at the end of the guard 20 scratching, or adding discomfort to the face during shaving?

A. I will answer that by stating that the question of a 45-degree angle that you describe would decrease the discomfort to some extent. However, I wish to qualify that by adding this: That if that angle, instead of being 45 degrees, gave a sharp, slender taper, and the guard as it approached that cutting face, we will say at an angle 10 degrees or so off of normal, off of 90 degrees, I don't think there would be any practicable decrease of discomfort with a 45-degree angle. You would present to the face, instead of the sharp edge of the end of the shaving face,—you would present two 45-degree angles.

(Testimony of Ralph E. Jones.)

Q. It would be better than one 90-degree angle, would it not?      A. It would somewhat.

Q. Would that embody the improvement that you are referring to in your patent?

A. I would say that if you had a 45-degree angle there and the extremities of that angular surface, the 45-degree angles were perfectly sharp, you would not call that complying with the intent of this patent.

Q. If you wanted to round off the corner, could you [208] round it off by beveling it off 45 degrees?

A. You don't round it; of course not.

Q. That rounding applies to something different than beveling, and indicates some kind of a curvature, as you have used the term, is that so?

A. The curvature, however, might be variable.

Q. Depending on what that curvature was, you might or you might not obtain the added comfort, the purpose directed in your patent, is that correct?

A. Depending on what it was, yes. I don't know just how to answer that question. If you eliminate the sharp edge, you increase the comfort.

Q. How sharp does the edge have to be to be a sharp edge, as you are using that term, a 90-degree edge?

A. It is a sharp edge if it is as sharp as the ends of this Schick shaver are right now, with the whisk-its in the open position, or removed.

Q. You are referring to Exhibit 3?

A. Yes.



(Testimony of Ralph E. Jones.)

Q. Do you know whether or not those edges have been rounded off in the manufacture of that exhibit?

A. Yes, there is a certain very minute rounding there.

Q. Why do you say it is minute?

A. Because it isn't enough to get any comfort.

Q. Do you know of your own knowledge the steps that [209] are taken in the manufacture of that device, Exhibit 3, by the Schick Company?

A. No, but I know I shaved this morning with a Schick Colonel shaver, with the guards removed, and I know how it felt on my face.

Q. Do you know how the edges you have called attention to are rounded off by a special step taken in the manufacture of that device?

A. I know that these edges are not rounded in the sense of this patent, and I know they are rounded to some extent.

Q. Will you say how much they can be rounded without being rounded within the sense of the patent?

A. The metal is not thick enough to permit them to be rounded in the sense of the patent.

Q. How much do they have to be to comply with this phrase you have used, to be rounded in the sense of the patent?

A. That, as I said before, is a variable. You take the thickness of these guards on this exhibit recently submitted, that increases the comfort very greatly over the absence of any guards, and yet there



(Testimony of Ralph E. Jones.)

isn't as much curvature in there as desirable in order to give a very liberal or extreme degree of comfort.

Q. Colonel Jones, assume that you are a manufacturer, and wanted to round these edges off of your shaver, but you don't want to infringe your patent. As you read the patent, [210] does the patent tell you how much you can round them off without infringing?

The Court: Aren't you gentlemen speaking about two different things? Aren't you asking him about the rounding of the ends of the shaving head, and isn't he speaking about the guards?

Mr. L. S. Lyon: Yes, your Honor, but it is the same thing. You can round off the edge of the shaving head by rounding it off itself or putting on an element.

The Court: I wanted to be sure you understood it.

The Witness: My understanding and belief is that that is just the trouble. You can't round the shaving head to any degree that is helpful because the metal must not be thick enough there to do that, and if you extend it down you would have the cutter imprisoned so you would have to have a separate piece in order to take the rounding.

Q. (By Mr. L. S. Lyon): Is that the best answer you can give to my question?

A. If I understand your question, I think that is a pretty good answer. Maybe I don't understand your question.

(Testimony of Ralph E. Jones.)

Q. Suppose I am going to put some whisk-its on my razor head, but I don't want to round off the ends of them enough to conflict with your patent—how much rounding can I have and not employ the rounding that you say is contemplated by your patent? [211]

A. I don't think you could have any rounding at all on the whisk-its without infringing my patent.

Q. Can you bevel off the ends?

A. So far as the rounding is a part of my patent, certainly. As I said before, if you ran a slope up, and it gave the sharp edge, it would not be, of course, the same sharp edge after the whisk-its was closed, because it would bear right up against the end of the cutting head. A beard cutting catcher of that type, in my opinion, would certainly be no infringement on my patent, so far as the rounded surfaces are concerned.

Q. You concede, then, am I correct, that if the Schick razors were made with whisk-its that came to a sharp end at the top, that would not infringe your patent?

A. So far as any rounding is concerned.

Q. For any reason?

A. I would have to study that before I give an answer to that.

Q. You are not prepared to answer that?

A. I am not prepared to answer that.

Q. You are not prepared to state how much that could be rounded without infringing your patent, insofar as your patent is directed to rounding?

(Testimony of Ralph E. Jones.)

A. I would say they could not be rounded at all without infringing my patent, if you are speaking of the end guards. [212]

Q. But you say beveled-off edges would not be rounding, is that right?

A. Of course, a rounded surface is nothing but a series of infinite bevels, so far as that is concerned, if you are referring to the bevel. I am not admitting anything, but I presume that that would not be rounding as contemplated by my patent.

Q. If you made the bevel in two steps would that be rounding, within the meaning of your patent?

A. I don't think that I should be called upon to make admissions of that sort. I think that is a matter for my attorney to plead rather than for me to testify to.

Q. I am just trying to find out, Colonel Jones, what you contend, as a part of the cross-examination, as your interpretation of the patent. If you can't answer the question, if you will so state that will be an answer.

Mr. Harris: If the Court please, I object to the question on this ground, that none of the shavers manufactured by the Schick Company, to our knowledge, have any beveled end guards whatever on them. It is not an issue in this case in any way.

The Court: Does the plaintiff contend that the use of any sort of an end guard, whether it has a sharp edge or not, is an infringement of the patent in suit?

(Testimony of Ralph E. Jones.)

Mr. Harris: Certainly not, your Honor. The end guard [213] must be rounded so as to provide shaving comfort, which we are talking about.

The Court: In other words, the end guard itself is not a part of the invention claimed by plaintiff?

Mr. Harris: It is a part of the invention, and no one else put any end guards on shavers until Colonel Jones disclosed it.

The Court: If Schick puts end guards on razors, no matter what kind of ends,—they may be good, or they may be bad, is it claimed that that infringes the patent in suit?

Mr. Harris: I don't think we are called upon to answer that, because the only end guards in suit we say are rounded, or in the patent—we say this without committing ourselves in any way in any future litigation,—that if they put an end guard on the shaver, in which you left sharp corners on the cutting head projecting so as to interfere with shaving comfort, then I would not contend that was an infringement of the patent. This is a patent covering end guards rounded so as to add shaving comfort to the user.

The Court: Any guard not rounded would infringe the patent?

Mr. Harris: I don't want to be committed by that, because I don't know what the future litigation will be.

The Court: If the plaintiff claims any kind of a guard on a dry shaver is an infringement of his patent, we don't [214] need any refinements.



(Testimony of Ralph E. Jones.)

Mr. Harris: We don't claim that in this case. We claim the primary basic invention is the provision of end guards that add this desired comfort to the user, and any end guards which could be made, and there are many that can be made, I think this can be readily understood by referring to the devices in suit,—many could be made without these rounded edges and rounded corners, and would not have anything to do with the patent in suit.

The Court: I then misunderstood your opening statement, that the plaintiff claimed that the use of any sort of end guard on a dry shaver such as this, would infringe his patent.

Mr. Harris: No, your Honor; I am sorry. It is the end guard with the rounding that conforms to the shaving head, so that the sharp edges and corners of the shaving head are eliminated. That is the invention. It does not have anything to do with the invention of a guard. You can put a flat plate on.

The Court: Plaintiff has presented on direct examination his contentions. Counsel on cross-examination would be permitted to test the scope of his contentions.

Mr. Harris: I think that is perfectly proper. The only thought I point out, in the question now, is that it is relating to devices which are not in suit here. If the defendants have any shavers which they have made which they wish to take [215] up now, as to whether we claim they are infringements of this patent, we will be glad to do so, but this is merely a hypothetical question. Have I answered your Honor's question?

(Last question read by the reporter.) [216]



(Testimony of Ralph E. Jones.)

The Court: Yes; I think you have. I think in view of the direct examination, counsel is entitled to test the scope of those contentions, and that is undoubtedly the reason why Mr. Lyon permitted the plaintiff to state his contentions on his direct examination; he wished to test the scope of them on cross. Objection overruled.

Mr. L. S. Lyon: Do you have the question?

(Question read by the reporter.)

A. The bevel made in two steps with sharp junctions of the surfaces involved would be rounding, in my opinion.

Q. How round does the edge have to be to be rounded as you have used that term; can you tell us?

A. Well, as I said before, a curved surface is nothing but an infinite series of bevels, and there is no sharp line of demarcation.

Q. Well, your patent does not give any, does it?

A. No; it doesn't give any. My patent doesn't attempt to define the precise line of demarcation between a series of bevels and a curved surface.

Q. You have stated that this idea of these improvements which are set forth in the patent in suit came to you because you were using a 1934 model Schick razor, is that correct?

A. I think that is not correct, sir.

Q. Well, you did refer to a razor that you were using [217] and which you said had sharp edges and corners, and which you were unable to produce; do you remember that?

A. I did; yes, sir.

(Testimony of Ralph E. Jones.)

Q. Was that the razor that you intended to illustrate in the drawings of the patent in suit, and with the additions that are described in the patent?

A. With the additions and modifications, I would say yes, sir.

Q. That is the razor, that 1934 razor that I am referring to?

A. I don't know about that. I bought it, I think, in the late summer of 1935.

Q. But you say it did not have these springs with sufficient power under the heads so that if the screw was loosened the head would be moved or snapped outwardly, is that right?

A. It was not a question of power. The springs were not there at all where they could have any lifting influence on the cutting head.

Q. I am going to hand you a specimen of a Schick razor and ask you how that compares with the device that you are referring to as having purchased some time in 1935.

Mr. Harris: May we have this given a number for identification, first, please?

Mr. L. S. Lyon: I will be glad to. I will ask that this [218] be marked Exhibit **B** for identification.

The Court: That is the specimen razor just shown the witness?

Mr. L. S. Lyon: Yes, your Honor.

A. This shaver is unmistakably an earlier model than the one that I had. This shaver, I am almost positive, has a little different beveling effect on

(Testimony of Ralph E. Jones.)

those edges than the shaver that I purchased in 1935. The shaver that I purchased in 1935 I am almost positive had edges that were sharper than this, although I will say that this shaver as exhibited here would be very uncomfortable to shave with and would necessitate a slow manipulation which would make the shaving time very unsatisfactory.

Q. I call your attention on this Exhibit B to the fact that the shaving head on each side has a bead. Do you see the bead?

A. Well, I have a magnifying glass here, and if I may look at this with a magnifying glass perhaps I can answer your question better. I hope I have it here. I did have it. (Examining through glass.) I would say from a casual and not very thorough examination, that this shaving head on this shaver has, to a limited extent—of course, I emphasize “to a limited extent”—beads that are somewhat beveled and somewhat rounded.

Q. Were there such beads on the 1935 Schick razor that [219] you purchased and which you undertook to improve by the additions in the patent in suit?

A. The metal was thicker at those edges, so far as I know, on all of the Schick shavers. The sharpness of the edge I have excellent reason to believe from my observations has differed a little from time to time, but all of them have been too sharp for any reasonable degree of comfort when shaving, in the early models.

(Testimony of Ralph E. Jones.)

Q. I am sorry, but that was not my question. My question was: Did this earlier model that you purchased in 1935 have those beads on it?

The Court: You mean the beads that the witness has referred to in Exhibit B for identification?

Mr. L. S. Lyon: Like in Exhibit B for identification; yes, your Honor.

A. I could not state that they did have, because my impression is that that model, 1935, it was more nearly than this is—it more nearly than this shaver approached the type of head shown in the Schick patent applied for in September of 1935.

Q. Let us eliminate from consideration just for the purpose of this question the question of whether the beads were rounded, and let us first get your recollection as to whether or not that Schick 1935 razor that you have referred to had beads along the edges of the cutting head. [220]

A. My understanding of the use of the word "bead" is that it is necessarily rounded or it is not a bead.

Q. Did the edges along the wide dimension on opposite sides of the cutter heads project outwardly in a similar manner to that shown in Exhibit B, eliminating now for the moment how sharp those projections were?

A. In both cases the metal projected outwardly beyond the plane of the outer side faces of the shaving head.

Q. And did the slits across the cutter head extend out so that they were open-ended?



(Testimony of Ralph E. Jones.)

A. I think that the slits—I don't think I have ever seen a Schick razor where the slits did not go through that metal which extends beyond the flat face, the flat side face of the shaving head.

Q. Now, so far as the construction of the shaving head itself is concerned you do not claim that you have added anything to the Schick prior design, except that you have rounded off to a greater extent these beads in the patent in suit, is that correct?

A. So far as that particular phase of improvement is concerned, my only accomplishment was to make those beads larger, with a greater radius, and round them in a better way so as we would have comfort there, instead of the discomfort that was marked and existed in all models that I have ever seen of the earlier shavers. [221]

Q. Now, in those earlier shavers prior to your invention were those surfaces rounded at all?

A. Oh, yes, sir. If you look at them with a magnifying glass, you can see that the sharp edges are rounded to some extent.

Q. Does your patent tell you to state how much more to round those surfaces than they had been rounded in the prior Schick devices?

A. In no specific manner, I believe. It just teaches the advantage of having a sufficient—in this effect of having a sufficient radius and rounding to accomplish the comfort.

Q. Do you know why those surfaces were rounded at all in the prior Schick razors?



(Testimony of Ralph E. Jones.)

A. Well, of course, if they were sharp you would cut your finger on them and cut your face with them.

Q. Weren't they rounded to add comfort to the razor?

A. Certainly, to a certain extent, of course, because otherwise you would really cut your face.

Q. All you proposed insofar as this point was concerned, was to round them some more; is that correct?

A. Enlarge them and round them some more so far as comfort of these long lateral edges are concerned; that is correct, sir.

Q. Does your patent state how much larger to make them? [222]

A. No, sir; not specifically in the specification.

Q. I call your attention on Exhibit B to the ends of the cutter head. Do you find at the ends of that cutter head two integral elements or members which, looking at the face of the cutter head at its widest dimension, are considerably wider than any of the individual teeth?

A. Yes, sir; they are wider than the individual intermediate teeth.

Q. I will call those for our present purpose "reinforcing ends." Do you know whether such reinforcing ends were on the prior Schick razors, including the one you purchased in 1935?

A. I believe that they were; yes, sir.

Q. Do you show those reinforcing ends in Figure 1 of the drawing of the patent in suit?

(Testimony of Ralph E. Jones.)

A. No, sir; I believe we do not. It was considered no part of this invention and I don't think it would be necessary to show them.

Q. Now, do you notice that in Exhibit B those reinforcing ends extend above the flat tooth face of the cutting head?      A. Slightly.

Q. Do you know whether or not that was true of the reinforcing ends in the prior Schick razors, including your 1935 model that you have referred to? [223]

A. I believe that in the 1935 model and the subsequent single-cutter Schick shavers, that that has been present in all of those models. I don't know, going further back, of course.

Mr. L. S. Lyon: Shall we adjourn for lunch, your Honor?

The Court: It might be a good point. It is 12:00 o'clock.

Mr. L. S. Lyon: I was not trying to suggest it. I thought your Honor indicated perhaps that it was lunch time.

The Court: It is time. You may step down, Col. Jones. We will recess the trial until 1:30.

(Whereupon, a recess was taken until 1:30 o'clock p.m. of the same day, Wednesday, September 24, 1947.) [224]

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(Testimony of Ralph E. Jones.)

Cross-Examination (Continued)

By Mr. L. S. Lyon:

Q. Colonel Jones, do you know what the purpose has been in the Schick razor of providing these reinforcing elements at the ends of the cutting head and extending those elements upward beyond the face of the head?

A. I surmise that I do.

Q. Will you tell us what you believe to be that purpose?

A. The reason I think that they do not extend below the surface is because they would interfere with the action of the cutter, and the reason that they are thickened is to provide some degree of protection against damage to these very thin, fragile plates that do the cutting.

Q. Do you mean by thickness that they are wider horizontally than the width of the tooth.

A. No, what I had reference to was the vertical thickness.

Q. Why do you think they are wider horizontally than the width of the tooth? [225]

A. More or less for the purpose of giving a little greater strength at the end, for the purpose that should the shaver fall only a short distance and it landed on a moderately hard place, it might not be deformed by the accident, whereas if they were as thin and narrow as the rest, and should touch against a hard surface, it would damage them.

Q. Why do you think that they are projected upwardly beyond the face of the cutting head?

(Testimony of Ralph E. Jones.)

A. That is the thickness I referred to first. I think both the greater width and greater thickness is for the same purpose, I surmise, to protect these delicate edges from damage in contact with a hard surface.

Q. Is that the only reason for that elevation that occurs to you?

A. Well, no other reason occurs to me right now. I think that most probably is the primary reason.

Q. Didn't you mention in your testimony that there was a problem of having sufficient mass or thickness of the metal at that point to be able to round off the ends of the cutting head?

A. Yes, sir.

Q. Doesn't that elevation of those reinforcing elements provide for mass or more material for that purpose?

A. I would say not to any significant degree.

Q. It does to some degree, doesn't it? [226]

A. No significant degree. It is a little thicker, yes.

Q. And to the extent that it is thicker, it provides more material to be rounded, doesn't it, or could be rounded?

A. I don't think such rounding is of any significance.

Q. I am not asking you that; I am asking the physical fact.

A. If you are talking about it microscopically, that is true, yes, sir.

(Testimony of Ralph E. Jones.)

Q. Will you refer to Claim 1 of your patent. In your opinion does that claim read on the prior Schick razor, and by prior I mean prior to your conception of your invention purporting to be the patent in the patent in suit?

A. In my opinion it does read upon it, yes, sir.

\* \* \* \* \*

Q. (By Mr. L. S. Lyon): The word "element" in claim 1 of your patent in suit is broad enough to read on these reinforcing elements to which I have called your attention, is it not?

The Court: Just a moment, please.

Mr. Harris: Which element is that, please, if I may ask?

Mr. L. S. Lyon: The element of the claim 1 which is item 5 on Exhibit 21-A.

The Court: Is there objection to the question?

Mr. Harris: No; there is no objection to that question.

A. I would reply to that in the negative, sir.

Q. (By Mr. L. S. Lyon): You think that these reinforcing parts that I have called your attention to could not be called "elements"?

A. I do.

Q. Why not?

A. Why, an element is something different. It is a different part. That is a part of the cutting face there. It is just a little thickened for strengthening the edge of it, that is all.

Q. Isn't it an element on the cutting face, or one element at each end of the cutting face?



(Testimony of Ralph E. Jones.)

A. I would not interpret them as "an element," certainly not in connection with claim 1. [228]

Q. There is no statement in claim 1 that the element has to be a hinged member or a separately movable member from the cutter head, is there?

A. No; but obviously it is not part of the cutting face.

Q. Is there any statement in claim 1 that the element referred to in item 5 on Exhibit 21-A is not formed integral on the cutting head?

A. Oh, I think the common——

Mr. L. S. Lyon: I am just asking you that question. Is there?

The Witness: Will you please read the question?

The Court: Please read it, Mr. Reporter.

(Question read by the reporter.)

A. No; there is no statement of that kind injected into claim 1.

Q. (By Mr. L. S. Lyon): Referring to these reinforcing elements that I have called your attention to, and particularly those that you knew of on the Schick razors before your conception of the invention of the patent in suit, were those elements rounded?

A. I would call them "portions" as far as I am concerned. I would not call them "elements."

Q. We won't stop to argue about that. But you know what parts I am referring to? [229]

A. Portions; I know what portions you are referring to.

(Testimony of Ralph E. Jones.)

Q. All right; we will use the word "portions." Were those portions rounded?

A. From an infinitesimal standpoint, I presume they were.

Q. Now, what do you mean by infinitesimal?

A. Or from a microscopic standpoint.

Q. Do you know whether or not some separate and special operation was performed on them for the purpose of rounding them in the manufacture of the razors?

A. Oh, I assume it would be done, because otherwise it would be a sharp edge that would cut anybody.

Q. Well, do you know?

A. I do not. I surmise that they were rounded.

Q. Will you feel of the edges of those elements on Exhibit B for identification and tell me whether they appear to you to be rounded or to have been rounded in their manufacture?

A. Well, there is some degree of rounding there. I don't know how it came about.

Q. There are various edges and corners on those parts. I wish you would refer to each one and, in each case, specify whether or not the same appears to you to have been rounded? [230]

A. I would say that they all are rounded from the standpoint of examining them with a magnifying glass; yes, sir.

Q. Now, you say "they all." Let us find out how many different edges and corners and surfaces are included in that statement "all." Is the edge at

(Testimony of Ralph E. Jones.)

each end that parallels the slits in the head at the outer face, is that rounded?

A. Now, we are speaking of the end of the cutting head, aren't we?

Q. Yes.

A. The cutting face or the little extension there or extended portion thereof, possibly. Well, it seems to me that from the standpoint of examining them with a glass and feeling of them carefully that they are rounded; yes, sir.

Q. Is there any other rounding on those parts?

A. Well, now, just which parts do you refer to, sir?

Q. Those reinforcing parts which we have identified in preceding testimony and which you do not like to call "elements" and would rather call "parts."

A. "Portions."

Q. Please excuse me.

A. Well, I don't think there is any edge, any edge or corner that is not rounded as viewed through a glass.

Q. Have the four corners that would otherwise be formed [231] at the ends of the cutting head in Exhibit B been rounded off in Exhibit B?

A. From the standpoint of an examination with a magnifying glass they have, by some means or other, been rounded.

Q. Now, so far as that rounding that you have referred to of these portions as it appears on Exhibit B was there a similar rounding at the similar points and along similar lines or edges in the Schick

(Testimony of Ralph E. Jones.)

razors as you knew them prior to your conception of the invention that you have attempted to patent in the patent in suit?

A. Yes, sir. I don't recall that I ever found any absolutely sharp edge or point on a Schick razor in that place or in those general places.

Q. Would you say that these end portions or reinforcing portions to which I have called your attention on Exhibit B merge into the outer surface of the head at the ends thereof? [232]

\* \* \* \* \*

A. I would say that they do not.

Q. (By Mr. L. S. Lyon): Why not?

A. Well, it doesn't appear to me that there is any merging. These are substantially flat surfaces which are microscopically elevated above the cutting faces, and then at the inner edge of the elevated surface there appears to be a flat slope downward and that doesn't merge, I don't believe, into the face of the cutting head. [233]

Q. Will you define the term "merge" or "merging," as you have used it in the patent in suit?

A. I used it in this patent to indicate that a curve joins a flat surface in prolongation. That is to say, substantially. I don't refer to it as microscopically forming a continuation of the flat surface, but just for all practical purposes. But this is not a curve. That is the distinction I make here, that that is a flat angle; merging means a gradual changing; not any sudden departure in shape.



(Testimony of Ralph E. Jones.)

Mr. Harris: Excuse me. May the record show that the witness when he said this is something else, was having in his hand at that time Defendants' Exhibit B for identification.

The Court: Is that agreed?

Mr. L. S. Lyon: Yes, your Honor.

Q. Do you know whether or not the word "merge" or "merging" has any other meaning or connotation except the one that you intended for it, as you stated?

A. I am unable to say what the dictionary says about the meaning of the word "merge" except that I understand it to be applicable where a curved surface joins, for example, a plane surface, but forming a continuation of the other, and that, of course, is in my patent not intended to be precise. That is the general effect of the shape.

Q. Is the word "merge," or the word "merging," defined in your patent in the specification?

A. No, sir.

Q. Now, you say that the word, as you intended to use it, was not to be limited to anything precise. Is there any statement in the patent specification as to how closely the relationship must approach such precision to be included within your term?

A. It is definitely implied.

Q. Is there any statement that measures how nearly it must come?      A. Yes.

Q. Where is that statement?

A. I mean the statement that this was to accomplish comfort for the user. That implies a degree that is satisfactory to give comfort.



(Testimony of Ralph E. Jones.)

Q. How far can you depart from that degree, as a matter of fact, and still maintain that comfort?

A. I don't think that is a very specific question.

Q. Do you know how far you can? Have you made any experiments?

A. I don't think anyone can know. I don't think the question is explicit.

Q. Does your patent state how far you may depart?

A. If you depart so far as to leave sharp ridges or edges that depress the skin to a degree to cause discomfort, then you have departed from the plan of the shaver to give [235] comfort.

Q. How far would that be? Can you tell from the patent?

A. Well, I can say that any of these edges here, which are rounded to some slight degree; if these were the rounded edges of a metallic right angle, two planes at right angles to each other, and that was pressed against the face, it would not give comfort.

Q. What if it left a 45 degree angle?

A. Well, in that way it would not be quite so uncomfortable, but it would not give comfort if it was a sharp edge.

Q. What if it was an edge of 45 degrees, would that be included within the term "merge" or not?

A. You mean 45 degrees change in direction; not the sharp edge 45 degrees?

Q. That's right.

A. What is the question?

(Testimony of Ralph E. Jones.)

Q. Would that be included within the term "merge," or not?

A. In my opinion two plane surfaces that meet do not merge.

Q. Then there must be absolute alignment or absolute blending to come within that term of "merging"?

A. There must be something other than a sharp line.

Q. How sharp? [236]

A. That is a pretty hard question to answer; for instance, if you weld two places together, like that, that are rather thick, and you come along with a grinder, and grind off a sharp edge and put a curve there, you get parts that merge the two pieces.

Mr. Harris: May I have the record show that in giving that last answer the witness was holding his hands and fingers pointed apart at an angle of about 30 or 40 degrees?

The Court: Do you agree?

Mr. L. S. Lyon: Yes.

Q. Let us take that example you gave, and apply it to the opposite slope of a roof, that came to an apex. Do the two sides merge at the apex?

A. The ordinary roof I think comes to an edge up there, and does not merge.

Q. It does not merge?

A. That would be my interpretation of it.

Q. If there was an edge, no matter what angle it was, your answer would be the same?

(Testimony of Ralph E. Jones.)

A. Well, I suppose so, unless it was rounded. Of course, you approach an infinitesimal, as you change the angle.

Q. Will you point to any statement in the specification of the patent in suit that sets forth how much departure there can be from precision, and still be within the term "merge" as you have employed it in the patent in suit? [237]

A. I think I am perfectly safe in stating that there is no statement of that kind in my specification, as to any precise limitation, but there is a very definite statement that these surfaces must be so shaped as to make it possible to give comfort to the face of the person shaved.

Q. Then the only specification, or the only directions that you attempt to set forth in your patent specification on that matter is in the terms of the function that is to be performed, is that correct?

A. I am not sure that I can answer that question correctly, but that may be true when we consider also the fact that there is supplementary information to be found in the drawings.

Q. In the drawings is any departure indicated, or any latitude, any permissible latitude indicated?

A. Any permissible latitude from what?

Q. From exact precision in this matter of merging.

A. Well, I don't know that there is specifically. I don't know whether there is specifically in the specification, or not, but primarily it is just a matter

(Testimony of Ralph E. Jones.)

of practical common sense. If you have got a curved surface with a reasonably large radius, you have got smoothness against the skin. If you have got a sharp edge you have got discomfort.

Q. Referring to your Exhibit No. 3, the accused Colonel specimen, you have indicated on Exhibit 21-A that the end of [238] the whisk-its on this device merges with the face of the cutter head. So far as the elevation is concerned, does the outermost end of the whisk-its align with the slitted face of the cutter head, or does it align with the outer faces of the extended reinforcing parts or portions?

A. Well, the two sides are different. Of course, we are speaking now from the standpoint of a practical device. We are not speaking of a magnified surface, such as you would examine something microscopically. One side of this device approximately merges into—that is, one of these whisk-its or guards merges approximately into the outer face of the reinforcing portion at the end of the cutting face. On the other side it appears to merge directly into the plane of the cutting face with the little reinforcing portion extending an insignificant distance further outwardly than does the cutting face or the end of the whisk-its.

Q. Does the whisk-its in that Exhibit 3 merge in the sense of conforming to the contour of the cutting face, insofar as the beads on the cutting face are concerned?

A. Yes, sir, I would say it does.

(Testimony of Ralph E. Jones.)

Q. Will you hold the device, Exhibit 3, in front of you, and look at the whisk-its, and see if they are shaped to conform to the outline of the beads?

A. I would say they are, yes, sir.

Q. In any event, the cutting face of Exhibit 3 is [239] separated from the ends of the whisk-its members by the reinforcing parts or portions, is it not?

A. No, sir, the reinforcing portions are part of the cutting face.

Q. I am not asking you that, whether that is part of the cutting face or not. They separate the ends of the whisk-its from the slitted face of the cutting head, do they not?

A. We will take one of these reinforcing portions here, between the whisk-its and the first slot.

Q. In order to merge with the cutting head or the face of the cutting head, it is necessary that more than one surface of the whisk-its be curved to align with any particular part of the cutting head?

A. Please read the question.

(Question read by the reporter.)

A. I would like to have that question explicit, as to whether the word "or" comes in there. You are talking about the face of the cutting head, or are you talking about the cutting head in its entirety?

A. A cutting head has more than one face, does it not?

A. Yes.



(Testimony of Ralph E. Jones.)

Q. The cutting head of a Schick razor has more than one surface, does it not? It may have a flat outer face, or it may have more than one outer face, and that might not be flat, in the event they have side faces, or beads? [240]

A. The cutting head in that shaver has curved side faces which are at the opposite sides of the flat cutting face.

Q. Is it necessary that there be different curvatures on the whisk-its so that the whisk-its will conform to the face of each and all of these different faces on the cutting head, in order that there be the merging that your patent refers to?

A. No, sir. [241]

Q. Does your patent state which of those faces may be ignored and still the merging exist?

A. Well, my patent provides for a merging of the longitudinal curvature of the guard substantially into the cutting face; and it also provides for other curvature. But you are asking me if it is necessary for one curvature, or I think that the question——

Q. Maybe I had better clear it up.

A. Maybe so.

Q. Referring now to the specimen of the Colonel model, Exhibit 3, do you find that the reinforcing end portions are beveled off at the four ends of the combs?

A. The reinforcing portions are beveled off where?

(Testimony of Ralph E. Jones.)

Q. At the four corners at the ends of the combs.

A. There is a bevel at each of the four corners of the face.

Q. And the combs project out beyond those bevels, do they not?

A. Not to any significant degree.

Q. Well, I am not asking you about how significant it is.

A. Microscopically, they do.

Q. How far would you say they extend?

A. May I take the glass? Well, I don't know. Maybe a hundredth of an inch. I don't know. [242]

The Court: Are you using a magnifying glass?

The Witness: I am, your Honor.

Q. (By Mr. L. S. Lyon): Can you tell from examining this Exhibit 3 whether or not the side faces at the end of the whisk-its merge with those beveled faces or merge with the outer configuration of the combs?

A. I don't understand that question yet.

Q. Now referring to your drawings, an enlargement of which is before you on the blackboard, the combs or beads are shown as No. 14 in Figure 5, are they not? A. Yes, sir.

Q. And in Figure 2 you show the guards 20 as having parts 24 which conform in shape to the beads 14, do you not? A. Yes, sir.

Q. In the Colonel model as exemplified in Plaintiff's Exhibit 3, do the ends of the whisk-its conform to the beads in configuration or do they conform to the beveled-off portions of the reinforcing members?

(Testimony of Ralph E. Jones.)

A. Well, they conform pretty well from the standpoint of comfort in each direction.

Q. Which do they conform to, the beads or the beveled-off portion?

A. The beveled-off portion has curves in it at the ends of the bevel, and the departure from conforming as between [243] the whisk-its and the beveled and curved surfaces is very, very slight, and the departure between the reinforced portions of the cutting face relative to the bevel and the curves, the departure as comparing that with what you might call the beaded portion is a little greater. They are not enough to cause discomfort so far as those departures from one to the other is concerned, certainly not to any great degree.

Q. You have made quite a statement here, but I do not think you have answered my question. I am not asking you to argue about the effect of this. I am trying to find out, if I can, if you can tell me, whether the ends of those whisk-its along their sides conform to the beads or to those beveled-off portions that we have identified?

A. Well, they conform to a rather satisfactory degree to the beveled and curved surfaces pertaining to the small end portions of the cutting face.

Q. Well, would you say they merge with those beveled surfaces?

A. We always have to draw the distinction whether we are talking about microscopically or practically, and practically they do merge.

(Testimony of Ralph E. Jones.)

Q. Now, is this feature that I have called your attention to by reference to the enlargement of the drawings of the patent in suit conforming the surface numbered 24 in [244] Figure 2 of the drawings to the surface marked No. 14 in Figure 5 of the drawings a feature of your patent?

A. Not in the sense that those two drawings have to fit each other with precision.

Q. Is an approximate conformation at that point a feature of your patent?

A. Yes, sir. There must be an approximate alignment and an approximate merging in order that the features of my patent may obtain.

Q. If those two configurations did not conform substantially then would the Schick razor be apt to scratch or cut at that point or along those points?

A. Well, it depends on how much the offset was.

Q. I call your attention to your Exhibit No. 21-C, item 5 of that exhibit. Well, I am going to take a different exhibit. Referring to 21-E, item 5, it calls for the "members at the ends of the heads having rounded surfaces at their outer ends complementing and merging into the rounded surfaces of said head." What are the rounded surfaces there referred to in item 5? Are they not the beads?

A. Well, they are the rounded surfaces of this outer element of the cutting head at the ends thereof. The interposition of the slight change in surface between the first slit and the guard does not obviate the essentials of the thing. [245]



(Testimony of Ralph E. Jones.)

Q. I think you have missed the point of my question. I am referring now to item 5 on Exhibit 21-E, the phrase "rounded surfaces of said head." What are those rounded surfaces in your patent? Are they the beads?

A. Well, they are any rounded surfaces that come along here on this side. You have got rounded surfaces here on this exhibit, on these reinforced portions, too.

Q. Is that the way you interpreted the language in preparing your Exhibit 21-E?

A. I interpreted it as being any of these rounded surfaces along this edge of this metal part here.

Q. Did you interpret that phrase as meaning the rounded surfaces specified in item 2 on Exhibit 21-E?

A. 2 being transversely rounded surfaces—well, that is the same thing.

Q. Well, those are the beads, are they not?

A. Not altogether. I mean if you refer to beads you mean really the little portions between those two adjacent slits. If that is what you mean by beads it includes more than that.

Q. Where in the device shown in the drawings of your patent is there shown any transversely slitted face terminating at each side in rounded surfaces except the beads?

A. Well, the bead extends all the way along across the edge, is my understanding of a bead. It is not like a [246] bead a woman wears or a child. It is a rounded, perhaps, piece of metal going right along in a line that can be called a bead.



(Testimony of Ralph E. Jones.)

Q. Let us start in further back, then. I call your attention to item 2 on your Exhibit 21-E which reads: "Having a transversely slitted face terminating at each side in rounded surfaces into which the slits extend. Will you point to those rounded surfaces in the patent drawing?

A. They extend from one end of the cutting head to the other, right along there.

Q. And form the beads?

A. And form the bead, singular.

Q. One on each side of the head, isn't there?

A. Yes; but I am talking about this near one.

Q. All right. If we are talking about one on one side of the head, then those rounded surfaces form the bead, is that right? A. That is right.

Q. Are those the same rounded surfaces that are referred to in item 5 where the language reads "merging into the rounded surfaces of said head?"

A. Yes, sir; that refers to a bead on each side.

Q. Now then, in order to merge into the rounded surfaces of the head as called for by that language is it necessary that there be conformity between the configuration [247] at the ends of the end guards and the shape of the bead?

A. Not precisely; no, sir.

Q. How near?

A. So there will be no discomfort.

Q. Well, does your patent tell you how close to make that conformity so as to avoid discomfort?

A. It gives no precise dimensions.

(Testimony of Ralph E. Jones.)

Q. How far could there be departure there and not encounter discomfort?

A. Of course, there is a variable enters into that, but generally speaking, I could pick up one where comfort is provided and another where comfort is definitely not provided; anybody could.

Q. You could tell that from your own experience? A. I could tell by looking at it.

Q. A man not having that experience, could he tell from your patent?

A. Well, the patent shows the way to get comfort, and any mechanic could follow the patent and get comfort.

Q. Now, look at Plaintiff's Exhibit No. 4, a Schick Super model. Do the sides of the ends of the whisk-its on that model conform to the configuration of the beads? A. Not precisely.

Q. How closely do they, or do they conform at all?

A. Yes, sir; they conform for practical use.

Q. Do the beads project out beyond the sides of the whisk-its?

A. Not in every instance. You have got four corners here; one of them does not, one does, the other does—well, the other might to a very microscopic degree. But all of those offsets are so small that they do not make very much difference as to the essential purposes of all of these curved surfaces that are merging.

Q. It is true, is it not, that the whisk-its at their side portions at their outer ends do not conform to the shape of the cutter head at its side?

(Testimony of Ralph E. Jones.)

A. Yes, sir; that is true in this model. Of course, that sharp edge down there so far from the cutting face is very unlikely to come in contact with the face; so for that reason it does not make very much difference.

Q. What do you think the reason for leaving that lack of conformity is in the Schick razor?

A. Well, it would be foolish to shape the whisk-its to conform to that shape, because that would increase the factor of discomfort. I presume that the outer shells were shaped as they are in order to fit the cutter inside, and it was evidently thought that this offset inwardly as to the side walls of the cutter head in respect to the outline of the whisk-its was not a feature that would cause discomfort, because the skin where it might come in contact [249] with the outer portion of the whisk-it—now, by “outer” in that case I mean away from the axis of the handle in the direction of the longitudinal axis of the cutter head—speaking of “outer” in that sense, the skin would come in contact with that outer surface where it would not come in contact with the inner surface.

Q. Isn't that lack of conformity between those surfaces in the Schick Exhibit No.—

A. 4.

Q. —4 so that you can get your fingernail or something under the edge of the whisk-it so you can pivot it out?

Mr. Harris: If the Court please, we object to this line of examination of the witness as to what the Schick Company's purpose was in making the

(Testimony of Ralph E. Jones.)

shaver that they have made as it is. That calls for simply a conclusion of this witness as to what is the Schick Company's purpose or its object. He is speculating entirely upon what the company's purpose was.

The Court: Do you use "purpose" in the sense of the function? Is that it?

Mr. L. S. Lyon: That is correct, your Honor. I am referring to the fact that this surface does not merge with this surface but stands out so as to be able to get hold of the whisk-it and thrust it up.

The Court: Your question, then is: Is that the function [250] of it?

Mr. L. S. Lyon: Yes. Yes, your Honor.

Mr. Harris: In the preceding question he was asked the same sort of thing, in which he was asked what was the purpose of the Schick Company in doing so and so or in making this razor so and so. And this is the same question. It is the same thing exactly and I merely wish to object.

The Court: Counsel has said that he uses "purpose" in the sense of "function." Is that correct?

Mr. L. S. Lyon: That is correct. And my question does not refer to Schick Company at all.

The Court: Col. Jones, do you so understand the question, that he was calling for the function?

The Witness: I have no objection, your Honor, to expressing my opinion as to the apparent function or purpose of any of these things.

Mr. Harris: So long as the Court is clear that it is not speculation entirely as to what the purpose



(Testimony of Ralph E. Jones.)

was of the manufacturer of this shaver in making the shaver, we have no objection.

Q. (By Mr. L. S. Lyon): With that understanding, Col. Jones, will you answer my question?

A. I would say it is quite probable that the convenience of that offset which is an eighth of an inch, more or less, downward from the cutting face of the cutting head, the [251] convenience of that offset was probably recognized, that is, its convenience for facilitating the opening of the whisk-its.

Q. Referring to your Exhibit No. 21-C, item 5, reading "each having longitudinally and transversely rounded surfaces at their outer ends," will you point on the drawings of the Schick patent to which you have the enlargement here the longitudinally rounded surface as distinguished from the transversely rounded surface?

A. That is not the Schick patent; that is my patent.

Q. I don't mean the Schick patent. I mean your patent. Excuse me.

A. Now we are talking about the rounded surface of what, of the cutting head?

Q. No. This is element 5 of your Exhibit 21-C.

A. Oh, the guard, the guard. Element what, did you say?

Q. 5 of your Exhibit 21-C.

A. Oh, well, that "5" doesn't mean anything. You go back here 5, 4, elements at the end of the head, yes. Yes; I see all right. We are speaking of what I call "guards," the profile shown in Figure 3,



(Testimony of Ralph E. Jones.)

profile of the upper end of this guard on the right that I am pointing to, shows the longitudinally curved surface. The transversely curved curvature is shown by shading in that Figure. If I had a [252] concave cone with a grinding surface on the inside and I were to thrust this shaver in accordance with its longitudinal axis in there and grind around on the cutting head end of it, the tendency would be to put a transversely rounded surface on the ends of the guards. [253]

In other words, if I were to cut this shaver, a part of the shaver head off in a plane at right angles to the shaver's hole, and slightly below the cutting face of the cutting head, as it cut the guards that would give a curvature. That is the curvature of the transversely rounded surface.

Q. Does that transverse rounding show on Figure 2 of your patent drawings?

A. Only through shading. It does not show in profile.

Q. Can you tell from the shading?

A. Yes.

Q. How much that is rounded?

A. Well, I should say it is rounded rather liberally.

Q. Why?

A. It gives the impression. It gives the effect of the picture.

Q. Can you tell from Figure 2 how much the rounding is?      A. Well, approximately——

(Testimony of Ralph E. Jones.)

Q. What is the radius of it?

A. I don't have any means of measuring it.

Q. Can you tell from Figure 3 how much that transverse rounding is?

A. The picture gives the impression of being a rounding as a quarter of a circle, approximately.

Q. I show you Defendants' Exhibit A. Can you point out the transverse rounding to the court, on that exhibit? [254]

A. Well, the guards on this exhibit are quite a lot thinner in proportion than are the guards in my patent application.

Q. Thinner than those shown in Figure 1 of your drawing of your patent?

A. I was referring to this enlarged view down here.

Q. Look at Figure 1. The thickness of the guards shown on Figure 1 at the upper end is about the thickness of a tooth of the shaver head, is it not?

A. That is rather inaccurate a way to get at it, when you have got a good enlargement below.

Q. I am referring to Figure 1. Doesn't it show the thickness at the end of the guards 20 about the same value as the thickness of one of the teeth on the head?

A. I don't think there is any effort on the part of the draftsman to space these slits properly.

Q. I am not asking you what the draftsman tried to do. Isn't that what the drawing actually shows in Figure 1?

(Testimony of Ralph E. Jones.)

A. I don't think it can be based upon the apparent distance between the slits. I think it would have to be based upon the size of the sketch as a whole.

Q. Do you say that this Exhibit No. 8, Defendants' Exhibit A, insofar as the thickness of the ends of the guards 20 with reference to the thickness of the tooth, is not in accord with Figure 1 of the patent drawings? [255]

A. I don't think that is a proper answer to that question. If we are going to talk about the thickness of those guards. I think it has to be in proportion to the device as a whole.

Q. Look at Figure 1 of your patent drawings. Does Exhibit A conform to that drawing, Figure 1?

A. I would say that it does not.

Q. In what respect?

A. The guards are much thinner on this Exhibit A than they are in Figure 1 of my drawings.

Q. Are they too thin to embody your improvements that you sought to patent in your patent in suit?

A. They embody it to a partial degree.

Q. Is your answer that they are too thin, or not too thin to embody your improvements?

A. I say they embody it to a partial degree.

Q. How much, 50 per cent, 90 per cent, 10 per cent?

A. I think they embody it, so far as thickness is concerned, more than 50 per cent.

(Testimony of Ralph E. Jones.)

Q. Will you point to the transverse rounding that is referred to in item 5 on Exhibit 21-C of this Exhibit A?

A. In place of being too thin they are not properly rounded, and here, in addition, too broad, and the cumulative effect of those three factors make these relatively unsatisfactory from the standpoint of comfort. [256]

Q. Then you would say that Exhibit A would not embody the improvements that you sought to patent in this patent in suit?

A. Only in part.

Q. In what part?

A. In a fractional part.

Q. Does your patent in suit indicate to what extent these improvements are called for?

A. Yes, sir.

Q. Does your patent offer perfection?

A. No, sir, but it would call for a better job of it than this.

Q. Let us go back to this transverse question. I wish you would answer that question, and point out to me if there is a transverse rounding in Exhibit A.

A. There is some, yes, due to those three factors. It is much less than it should be.

Q. Where is it? Will you point it to the court?

A. It is right around here. The transverse rounding, if we hold the shaver in an upright position, and we were to cut off the top part of the shaver head, then you will look down on the outline

(Testimony of Ralph E. Jones.)

that remains, and you would find a curve at each one of these corners, and that curve would be an indication of the transverse rounding in question.

The Court: The transverse rounding of what elements? [257]

The Witness: Of the guard elements.

Q. (By Mr. L. S. Lyon): Is that rounding somewhere down along the vertical edge of the drawing?

A. I think it refers to the ends. That means the portion up close to the extreme ends. I would say in the case of this shaver it would be possibly three thirty-seconds down, would be the important part, from the outer face down about three thirty-seconds of an inch.

Q. Will you refer to Exhibit 22-M——

Mr. Harris: There isn't any exhibit 22, counsel.

Q. (By Mr. L. S. Lyon): 21-M, item No. 7 on that exhibit which reads:

“Each guard having a longitudinally and transversely rounded outer face merging into the outer face and the side faces of the cutter head.”

What do you mean by “merging into the side faces of the cutter head” at that point?

A. I mean primarily merging into the rounded side faces that are in close proximity to the cutting face of the cutter head.

Q. You have stated that there is no exact merging in Exhibit No. 4. I would like to call the Court's attention to what I am talking about.

A. No, sir.



(Testimony of Ralph E. Jones.)

The Court: I understand. [258]

Q. (By Mr. L. S. Lyon): What were you going to say?

A. I would like to say something about that very point.

Q. Go ahead and say it. If you don't say it now you will say it on redirect, so we might as well have it.

A. In the case of this cutter the rounding surfaces start away back here in the cutting face. There is a relatively—I don't think entirely flat, but a relatively flat central portion in the cutting face, and then there are rounded surfaces of the cutting face.

Q. And in the case of this Schick Super, these guards conform to those rounded surfaces?

A. When you get down underneath they don't conform, but that doesn't make so much difference.

Q. I am referring to 7 on Exhibit 21-M.

A. We are talking about the Colonel, aren't we?

Q. I am asking you with regard to the Super. Do the whisk-its on the Super merge into the side faces of the cutter head on that model?

A. Let me see how that reads.

The Court: 21-M depicts the Colonel?

Mr. L. S. Lyon: Yes.

The Court: You are asking the witness now about the Super?

Mr. L. S. Lyon: Yes.

A. Some of these side faces, in the case of the Super, [259] include this part of the cutting face, and in that sense they do.

(Testimony of Ralph E. Jones.)

Q. But in the sense of the side faces below the cutting face, do they merge?

A. Of course, I don't know just how far the cutter reaches underneath there, but after we come to the extremity where the long edge is, and we go below it, then they do not merge.

(Short recess.)

Q. (By Mr. L. S. Lyon): Will you now examine the Exchange model, Plaintiff's Exhibit No. 5, and compare the configuration at the sides of the ends of the whisk-its with the flat side faces of the cutter head, and state whether or not the same merge?

A. The side faces of the cutting head below the curved portions which come in contact with the skin do not merge precisely with the whisk-its.

Mr. L. S. Lyon: I want to show that to your Honor. Look along the side face of the cutter head until you come to the side of the whisk-its, and you can determine that.

The Court: What does "merging" there mean, coming together? What do you understand merging to mean?

A. I understand it to mean, in the case of a curved surface and a plane surface, that if they merge they come together in such a way that one surface appears to be [260] substantially a continuation of the other. If your Honor heard me on that last question, I spoke about the portion of the side faces which are below the curved side faces, and there is a lack of precision in merging there, when

(Testimony of Ralph E. Jones.)

you go down that distance from the cutting face.

The Court: It is your contention and design that it would merge, but in the manufacture it may lack precision?

The Witness: In a very small measure. I guess the design was not expected to merge perfectly. Of course, when you go that far down the sides the practical aspect of it disappears, because the skin is not present.

The Court: You are only interested, so far as the performance of the razor is concerned, in your view of the situation, in that portion of the guards or wisk-its which come in contact with the cutting head?

The Witness: The cutting face and curved surfaces at the sides, as they are the ones that come in contact with the skin.

The Court: Let me see if I understand you. The only portion of the end guards or whisk-its in which you are interested, in your point of view, of the shaving comfort, is that portion which comes in contact with the shaving head or cutting head, is that correct?

The Witness: I think cutting head is a pretty large term.

The Court: What do you call this metal apparatus on the [261] shaver?

The Witness: The whole shell is the cutting head.

The Court: I thought you called this the handle. I understood the cutting head was the metal assembly on top.

(Testimony of Ralph E. Jones.)

The Witness: Yes, sir; when I say the shell, I mean the shell that surrounds the cutter.

The Court: There is a shell, and the cutter inside is all metal?

The Witness: Yes.

The Court: This metal assembly on the top?

The Witness: That is the cutting head, your Honor.

The Court: When you speak about rounded edges and merging for shaving comfort, you are referring to that portion of the end guards and whisk-its that come in contact with the metal assembly cutting head on the top of the shaver?

The Witness: Your Honor, in my patent there are some places where that may be a correct interpretation. There may be other places where we are dealing with the merging of the guard into these rounded surfaces that are part of the side face, and as a practical matter of fact that is the part that cuts, because that is where the skin reaches.

The Court: Down towards the base of these whisk-its there is no contact with the skin in shaving, is there?

The Witness: No, sir.

The Court: It is immaterial, in your view, I suppose, [262] whether they merge or not down there?

The Witness: Yes.

The Court: Whether it is rounded or not?

The Witness: I wouldn't want to cut my hand on it.



(Testimony of Ralph E. Jones.)

Q. (By Mr. L. S. Lyon): Does item No. 7 of Exhibit 21-M, where it specifies and calls for merging into the outer face and side faces of the cutter head, specify how far down the side faces they be?

A. Yes, it says here:

“Whereby to provide rounded ends and corners for said head extending flush with the outer and side faces thereof,”

I think that that intent there is to deal with the curved side faces which come in contact with the skin.

Q. (By Mr. L. S. Lyon): It doesn't say the curved faces, does it, in Claim 28 of the patent?

A. Let me see. It doesn't say whether they are curved or not. It doesn't say they have to merge all the whole length of that.

Q. It doesn't say how far they shall merge?

A. No.

Q. Can this word “merge” be satisfied by any conformity of one surface to another irrespective of the extent of that conformity?

A. Well, it's pretty difficult, it seems to me. The purpose [263] of these things is to provide comfort, and it is perfectly evident that the skin comes in contact with the cutting face, or portion close to that, and these curved surfaces, that is, these side faces conform to the idea of side faces, and it is more than a significant degree they are merging, because that is the place where it cuts.



(Testimony of Ralph E. Jones.)

Q. The fact is that this term "merging" is not defined in the patent in suit, and the only definition that you can draw for it is such a conformity as will give comfort and avoid scratching, is that right?

A. That is the primary criterion, I would say, sir.

Q. Colonel, when did you first learn of the manufacture and sale of Schick razors having whisk-its on them?

A. Well, I don't know the exact date. It may have been in 1938; it may have been early in 1939, but I would guess it was in 1938, and I think it was within a week or two from the time that these attachments first appeared on the Schick, if that is what you mean—or do you mean later, when they were built in?

Q. Maybe we had better be a little more definite. Somebody has applied the attachment to Exhibit 2. By the attachment you mean the whisk-its that was provided as an accessory to be mounted on a Schick, that does not have a whisk-its, is that right?

A. That is correct, sir. [264]

Q. You knew of this sometime in 1938 or 1939, according to the best of your recollection?

A. Yes, sir.

Q. When did you first learn of Schick razors being made and sold in which whisk-its were embodied as a permanent part of the razor?

A. I wouldn't be sure about that, but I know I bought one myself in the latter part of '40.

(Testimony of Ralph E. Jones.)

Q. Did you communicate with the Schick Company in any way regarding the matter, prior to sending them this notice of infringement on January 21, 1941?

A. Did I communicate with them in any way?

Q. Regarding the fact that they were using these whisk-its, and that you had a patent application pending in which you were attempting to cover the subject matter of the patent in suit?

A. I did.

Q. When for the first time?

A. June—may I refer to my diary?

Q. If you need it to refresh your recollection.

A. I can give you the exact date. On June 26th, 1940.

Q. Was that the first time that you advised them that you had a patent application pending covering the disclosures that are set forth in the patent in suit?

A. Yes, sir. [265]

\* \* \* \* \*

Q. (By Mr. L. S. Lyon): I call your attention to Exhibit 26 to the pre-trial stipulation. This is a letter, is it not, Mr. Jones, which you wrote to the Schick Dry Shaver, Inc., on March 14, 1941?

A. Just a moment while I glance at it.

\* \* \* \* \*

Mr. L. S. Lyon: Yes; I would like to offer it for the purpose of the record as Defendants' Exhibit D.

The Court: That the letter from Jones, the plaintiff, to Schick Dry Shaver, Inc., dated March

(Testimony of Ralph E. Jones.)

14, 1941, copy of which is Exhibit 26 to the pre-trial stipulation, is received into evidence and will be marked Defendants' Exhibit.

The Clerk: D, your Honor.

The Witness: That appears to be a copy of the letter that I sent to Schick, as indicated by the date.

Q. (By Mr. L. S. Lyon): \* \* \* [269]

At the time you wrote this Exhibit D which I have read to you did you believe that you had a right to negotiate [270] with others if the Schick Company did not reply to you by April 4th? [271]

\* \* \* \* \*

Mr. L. S. Lyon: I want to show also in connection with this attempt to apply this oral agreement under the first cause of action, that no such agreement was made; that the only thing that was done was, there was an understanding as to what the royalty would be, provided the parties arrived at a satisfactory agreement; and I want to show some of the things that Col. Jones was not prepared to settle at that meeting and what they were.

\* \* \* \* \*

Q. At the time you wrote your letter of March 14, 1941 to the Schick Dry Shaver Company, defendants' Exhibit D, did you believe that you had the right to proceed with [279] negotiations with someone else if you did not hear from the Schick Company by August (April) 4, 1941?

(Testimony of Ralph E. Jones.)

A. Well, I did not think I had a right to negotiate with anyone else as long as there was any possibility of the Schick Company complying with their oral agreement.

Q. But if they did not, you proposed to negotiate with somebody else?

A. Well, I wouldn't let that patent go by indefinitely, if they refused, if they denied or if they refused to comply, if they refused to put the agreement in writing and refused to comply with its terms. It seems to me then I would have a right to deal with somebody else. I never did deal with anyone else, however.

Q. Now, you state on page 128 of the transcript here in your testimony, after reciting your conversation with Mr. Cordiner and just as you terminate your testimony on that point:

“I said to Mr. Cordiner in substance, ‘How are we going to go about putting this agreement in writing?’ And he replied to me in substance, ‘The agreement will be drawn up in the main offices of the Schick Company. You may send to us such points as you would like to have included in the agreement and if possible, we will include them.’

“And then there was some sort of an agreement or [280] understanding of the minor points could be ironed out through correspondence.”

(Testimony of Ralph E. Jones.)

I want you to tell us, if you will, what these points were that you did not settle at your meeting with Mr. Cordiner, what points that would have to be incorporated in the agreement.

A. Well, they were not definitely enumerated or anything like that. I presume they would deal with such matters as when the payments would be made and anything that was necessary, or that one side wanted that the other side would agree to. As far as I was concerned, I had no intention of refusing to sign the contract.

Q. I am not asking you that. I am asking you what these points were that remained to be settled between you and the Schick Company that you did not settle at your meeting with Mr. Cordiner.

A. It was merely the general subject of minor points; there was nothing specific.

Q. I am not asking you whether they were minor or not. I am asking you what the points were.

A. Well, they were unspecified.

Q. Were none of them discussed or mentioned?

A. I can't seem to recall that any one was.

Q. Was there any discussion about who should take the responsibility for any suit that was brought against a [281] licensee by an outside party for putting these whisk-its on?

A. Yes; I believe that was mentioned.

Q. How was that settled, if it was?

A. Well, I don't recall that it was settled. We were going to reach an agreement on those small points.



(Testimony of Ralph E. Jones.)

Q. You did not have an attorney present with you, representing you at this meeting with Mr. Cordiner, did you?

A. That is correct. I intended, of course, to have an attorney to consult with just as a final check when I received the contract from them.

Q. Did you discuss whether or not the agreement should provide that Schick should take over the prosecution of your pending patent application?

A. Well, there was something said about—take over the—oh. Oh, you mean those two pending application I had?

Q. Yes.

A. I don't remember for sure, but I think I said that I didn't care whether they took them over or whether I completed the prosecution myself.

Q. Was it settled as to what the agreement was to provide on that or was that left open? [282]

A. I believe that was left open to their option.

Q. Did Mr. Merrick at this meeting or Mr. Cordiner call your attention to a number of different things that would have to be covered in that agreement, and advise you that it would be a very unwise thing for you to attempt to negotiate these terms of this license agreement with them if you were acting as your own attorney?

A. Well, Mr. Merrick asked me, just before the conference started, as I recall it, "Have you an attorney for this matter?" And I answered him that I did not. And he—I don't know. He may

(Testimony of Ralph E. Jones.)

have said, "Well, don't you think you ought to have one?" Or something of that kind. And he said, "If you don't have an attorney, I may have to act as your attorney, in addition to being the attorney for the Schick Company," or suggested something of that nature.

Q. He did not suggest that. Now, you are not sure of that, are you, that he also act as your attorney while he was representing Schick?

A. Well, that he would have to look after—yes; he said something to that effect. And I said that I thought that we could negotiate the main matters at hand this afternoon; that I didn't have any attorney engaged; and that I could have an attorney's advice later on as to whether everything was all right.

Q. It was understood by you when you left them that [283] you were to consult an attorney regarding the settlement or many of the terms of the agreement, was it not, before you signed the agreement?

A. Not necessarily, no; because I was going to consult an attorney and consider his advice if I wanted to. If I didn't want to, I reserved the right to act on it myself without consulting any attorney. I didn't say I was necessarily going to consult an attorney.

Q. Do you agree with this statement, and by "we" in the statement reference is made to Mr. Cordiner and Mr. Merriek:

(Testimony of Ralph E. Jones.)

“Well, we discussed some of the terms that would necessarily have to be inserted into a license agreement of that kind. We discussed a very large number of such subjects, including some pending patent applications of Col. Jones, and whether he would turn over the prosecution of those applications to us.

“We called his attention to the captions that would necessarily be included in the patent agreement, and asked him if he was prepared to discuss the provisions that would have to be written in under those captions of such agreements, and he said, ‘No.’

“We asked him about his patent counsel, and he said he had no patent counsel, that he always acted as his own. I told him that it would be a very unwise [284] thing for him to attempt to negotiate a patent license agreement with us, acting as his own counsel, and illustrated the importance of getting counsel by asking him whether he would agree to certain provisions in the agreement that we thought would be needed in it. And he said that he had no ideas on the subject, and he said that I was right, that he would have to get counsel.”

Do you remember whether that is a correct statement of what transpired at the meeting with Mr. Cordiner?

A. Well, I don't know that it is a hundred per cent accurate but, for the most part, I presume

(Testimony of Ralph E. Jones.)

it is the truth. However, I never—my only statement about getting an attorney was in accordance with my intention that I would get an attorney's advice to such extent as I saw fit, and sign the contract if it satisfied me.

Q. Now, do you agree with this statement:

“Was anything said as to whether or not Colonel Jones reserved the right to approve or disapprove the completed written agreement when it was finally prepared?

“Well, both sides understood that a considerable number of clauses would have to be inserted in the agreement that were not discussed at that meeting. The agreement was reached only in respect to the basic [285] royalty provisions. Questions as to rights and obligations in respect to offensive and defensive litigations were touched on rather briefly.

“My recollection is that Colonel Jones was not prepared to go as far as we thought he should in authorizing the expenses and damages that might be incurred by the Schick Company in defending litigations, to be deducted from royalties. I remember that we had a discussion whether it would apply only to current royalties for that year, or back royalties, whether it would be a lien on future royalties, and he said that he had not thought about those matters and was not prepared to give an answer at this meeting.”

Is that in accord with your recollection?



(Testimony of Ralph E. Jones.)

A. Well, I don't remember all of that was. I know that there were provisions that they wanted to put in, but I was satisfied with the basic agreement and I had no intention of passing up the agreement and refusing to sign it when they submitted an agreement, unless there was something that would markedly interfere with my normal rights in the matter. [286]

Q. You did recognize that you reserved in your own mind the right to reject the agreement if, when it was written, it was not satisfactory to you on those points that you had not settled at your meeting, isn't that right?

A. I wouldn't say that I had any intention to reject that agreement.

Q. I am not asking you what your intention was. I am asking you if you reserved the right to reject whatever agreement they drafted that you were not satisfied with the way they treated these unsettled points.

The Court: Do you mean did he say that he would reserve it; that that was his intention?

Mr. L. S. Lyon: Wasn't that your understanding with them?

A. I understood it this way, that we had made an agreement as to the essentials, and that neither side was justified in rejecting that agreement with the idea of submitting an unreasonable condition, and rejecting it on the basis of an unreasonable condition. I thought these side issues could be



(Testimony of Ralph E. Jones.)

ironed out on a reasonable basis, and we were both going to stick to our agreement.

Q. But they were not ironed out at that meeting?

The Court: We will suspend now.

Mr. L. S. Lyon: May the record show, your Honor, that this cross-examination, since my last notice, is all for the [287] purpose of the record *de bene esse*, and without waiving our position as to the second cause of action.

The Court: Yes, the record will so show. [288]

\* \* \* \* \*

Los Angeles, California,

Thursday, September 25, 1947, 10:00 A.M.

\* \* \* \* \*

Q. (By Mr. L. S. Lyon): Colonel Jones, do you remember receiving Plaintiff's Exhibit 10, which is a letter dated February 5, 1941, addressed to you by Mr. Merrick?

A. I would like to glance at it, please. Yes, sir, I remember that.

Q. That letter refers to Paragraph VII of the draft which you forwarded to the Schick Dry Shaver Company with your letter of January 30, 1941, Exhibit 9, which draft is entitled: Preliminary Draft. Do you remember the provisions of that Paragraph VII? A. Not precisely. [291]

The Court: There is no suggestion compelling you to do that. I merely ask the question: Are you prepared to go ahead at this time? Up to this time

(Testimony of Ralph E. Jones.)

we have tried the case upon the supposition that all the evidence is admissible only as to the first cause of action.

Mr. L. S. Lyon: Yes. [293]

\* \* \* \* \*

The Court: And the minute I came to that conclusion or very shortly after I did, I interrupted the counsel and made that statement so that you would have that in mind in your cross-examination of the plaintiff. This cross-examination is proper even under the first cause of action, I take it.

\* \* \* \* \*

Q. You have in mind the provisions of this paragraph 7. To what extent were those provisions discussed by you at the meeting with Mr. Merrick and Mr. Cordiner?

A. Oh, in a very tentative sort of a way and not very extensively, I would say. I don't know that these provisions were discussed at all as a matter of fact, that is, some of them, anyway. There was not very much discussion about what appears in this suggestion to Schick Company, because these largely were thoughts that I had after that conference was over and I made them as suggestions to the Schick Company.

Q. These two patent applications which you forwarded to the Schick Company with your letter of February 20, 1941, Exhibit 13, were merely carbon copies of documents that were on file in the United States Patent Office, is that correct?

(Testimony of Ralph E. Jones.)

A. Yes; they were carbon copies of the patent applications that had been submitted to the Patent Office.

Q. And you did not deliver or furnish to the Schick Company any power of attorney or any assignment or right to those patent applications, or a right to do anything with them at that stage, did you? A. I did.

Q. What?

A. I had told them in the conference before that, if [298] they obtained this exclusive license for this patent in question here, that they could have my other patents and the patents that would issue to me, if they wanted them.

Q. But my point is, Col. Jones, that all you did in connection with transmitting these copies with Exhibit 13, your letter of February 20, 1941, was to send them copies of papers that were on file in the Patent Office, is that right?

A. Well, yes; they were patent applications that had been sent to the Patent Office.

Q. You did not furnish them a power of attorney which they could file in the Patent Office and take any action in connection with your applications?

A. No; though I had told them, as I recall it, that if they wanted the two patents that had issued, in addition to the patent at issue, and the two patents that might issue in pursuance to my two other applications—I believe I told them that they could either take over the prosecution of those two patents,

(Testimony of Ralph E. Jones.)

or I would continue the prosecution of them, whichever they desired.

Q. Did the Schick Company take any action in the Patent Office in connection with your applications at any time?

A. I don't think they did, no, sir. I don't see how they could have.

Q. And they returned to you the carbon copies that you [299] had forwarded them with your letter, Plaintiff's Exhibit 13, did they not?

A. I believe that they ultimately did. I don't recall positively.

Q. Did you continue your prosecution of those two applications?      A. I did.

Q. Yourself?      A. My attorney.

Q. And did the Schick Company ever interfere in any way with your prosecution of these applications?      A. Not so far as I know.

Q. They never took any steps in the Patent Office in regard to the matter, to your knowledge at all, did they?      A. Not so far as I know.

Q. And, so far as you know, did your sending these two copies of the applications to Schick Company in any way affect your further prosecution of those applications?

A. Affect my further prosecution of them? I suppose not.

Q. What happened to those applications? Did

(Testimony of Ralph E. Jones.)

the Patent Office find anything patentable in them?

A. They did.

Q. Did they issue into patents?

A. They did. [300]

Q. In your name?                      A. That is correct, sir.

\*                      \*                      \*                      \*                      \*

Mr. L. S. Lyon: All right, sir.

Q. What discussion, specifically, did you have with Mr. Merrick and Mr. Cordiner, according to your best recollection, as to this matter of how far you should go in indemnifying the Schick Company against liability to others for infringement in operating under the proposed license?

A. Well, I can't remember all the details of that. I didn't regard that as of primary importance. There were statements back and forth and a few questions about things of that nature, just preliminary to the ultimate drafting up of the written contract; and I didn't regard it as any negotiations at that time. I thought we just had a sort of a preliminary discussion, because I expected them to work out the contract that they thought should be signed, and then, unless there was something horribly wrong with it, I expected to sign it. [302]

Q. Did you settle the provisions as to how far you would go in indemnifying the Schick Company, at that meeting?

A. I made no commitments restricting what I would or would not do. I thought that we would have no particular difficulty in reaching an agree-



(Testimony of Ralph E. Jones.)

ment on the secondary issues, if you want to call them that. I did not anticipate any difficulty in reaching that. I was willing to concede to any reasonable secondary provisions in the contract, when they presented my contract, which they had agreed to prepare, which they never did.

Q. At that meeting you did not, actually agree on what those specific provisions would be?

A. No. I had not seen what they wanted.

Q. But they did advise you that they wanted provisions on that point in the contract?

A. Regarding suing?

Q. Regarding defending suits that were brought against Schick.

A. Yes, they mentioned that I should take the responsibility of defending suits, and I did not agree, and did not have any final comment upon that statement.

Q. Did you also discuss with them, and did they tell you that fact, that they would want the provision in the contract with regard to the extent which you would go in defraying the cost of suing others in the event there was an [303] infringement of your patent?

A. Perhaps that was mentioned. I don't remember those details.

Q. Did you settle at that meeting just how far you would go on that point?

A. I don't think it was necessary.

Q. Did you?

(Testimony of Ralph E. Jones.)

A. No, I did not say I would go this far, and no further, certainly not. I expected to get the contract from them for my signature, or my protest, but if something seemed radically wrong with it I expected to request them to change it, whatever it might be, when they sent me the contract.

Q. But they did bring up the fact that they expected you to defray to some extent those expenses, did they not? A. I think they probably did.

Q. Did you settle on how far you would go at that time?

A. No, I did not settle. I did not take any position on the matter other than it was something to be worked out when they sent me the contract.

Q. When you sent them the draft entitled: Preliminary Draft, accompanying your letter of January 30, 1941, Plaintiff's Exhibit 9, under provision 15 you provided that Schick shall assume said burden and the expense of defending your patent in court, and in prosecuting infringers. Why did you arrive at that wording; on what basis? [304]

A. I don't know. They had invited me to submit such points as I would like to have embodied in the contract when it was written, and they said they would include in it as much of my suggestions as they could. I don't remember anything very explicit or binding. There was no binding oral agreement about any of this minor stuff at the conference. It was mentioned, and it was just something that had not been established yet, was all.

Q. But at the meeting with Mr. Merrick and Mr.

(Testimony of Ralph E. Jones.)

Cordiner there was no agreement that Schick would pay all the expenses of defending your patent, was there?

A. There wasn't any agreement whatever whether the Schick people would pay, or I would pay. The only agreement was the basic matter, that I would give them it exclusively, and they could have the four patents if they wanted them, and they would give me a stipulated royalty, or a stipulated down payment. That was a definite statement. And they were to prepare the contract, and send it to me, and then if I objected I was to try to persuade them as to what changes I thought ought to be made in it.

Q. Will you tell us again what the terms of royalty arrangement were, as you say you agreed with them, with Mr. Merriek and Mr. Cordiner? I mean, what were those rates?

A. The rates were—I was to obtain 11½ per cent of the manufacturer's sales price until these royalties, the [305] total of these royalties should be \$250,000, after which the rate was to be 1 per cent to the expiration of the life of the patent.

\* \* \* \* \*

Q. (By Mr. L. S. Lyon): I call your attention to this paragraph of royalty to be paid of 3 per cent of the manufacturer's sales price.

A. You have to read more than one line in order to obtain the truth of the document.

Q. I will ask you to read the whole paragraph.

A. I will, and there is more than this paragraph that pertains to that.

(Testimony of Ralph E. Jones.)

Q. Perhaps you will explain to us why you provided 3 per cent.

A. I provided 11½ per cent in that document; not 3 per cent. That was subject to a discount of 50 per cent. Anyway it was only suggested. They were not restricted to this. I had not refused to change any of this phraseology [306] in any respect. This was just a suggestion.

Q. Had Mr. Merrick or Mr. Cordiner agreed to the provisions as set forth in Paragraph 3 of this preliminary document that you submitted?

A. They had not seen these suggestions. [307]

\* \* \* \* \*

Q. (By Mr. L. S. Lyon): Have you made any arrangement with the Remington Rand whereby they are authorized under [308] your patent to manufacture their razors with these end elements on them?

A. I did not enter into any negotiations with Remington Rand, because of my oral negotiations with the Schick Company.

\* \* \* \* \*

Q. (By Mr. L. S. Lyon): Then your answer is that you have no understanding, and Remington Rand has no authority under your patent to manufacture the device I have shown you?

A. That is correct. I have never negotiated up to the present time with Remington Rand.

Mr. L. S. Lyon: I would like to mark this device for identification, as Defendants' Exhibit E.

\* \* \* \* \*



(Testimony of Ralph E. Jones.)

Redirect Examination

By Mr. Harris: [309]

Q. Did you at that time believe that you had no right to negotiate with anyone else, at that time that you sent your letter of March 14, 1941, to the Schick Shaver Company, Exhibit D?

\* \* \* \* \*

A. I did not believe, when I sent that letter, that I had a right to negotiate with anyone else. I was not completely convinced that the Schick Company had repudiated their oral agreement.

Q. (By Mr. Harris): Why did you not think that?

A. I had not received any definite word, as I recall, at that time that they had.

Q. From January 29, 1941, until this letter of March 14, 1941, which is Defendants' Exhibit D, did you at all times believe that you had a binding agreement with the defendant Schick Inc.? [310]

A. Mr. Harris, up to the time of that letter, that is, the letter where I enumerated that I had done certain things, and that they had not replied to it—

Q. (By Mr. Harris): I will show you the letter.

A. Yes, sir. When I sent this letter of March 14th, up to that time, from January 29 to March 14, I believed that I had a valid oral agreement with the Schick Company, and that I did not have any right



(Testimony of Ralph E. Jones.)

to negotiate with anyone else during that period regarding my patents.

The Court: Did you believe it after you sent that letter of March 14th?

The Witness: Well, I don't know. I thought this: That in view of the correspondence that followed the oral agreement, I thought there might be enough confirmation of the oral agreement there to make the agreement binding.

The Court: The question is what you thought you were entitled to do; not what the Schick Company could do. The question is what you thought you could do.

The Witness: I did not think I was entitled to negotiate until I was certain the Schick Company had repudiated its agreement with me.

The Court: When was that?

The Witness: I never was sure, and I did not take a chance. I just did not negotiate with anybody else. [311]

The Court: At the time you wrote the letter of March 14th, Defendants' Exhibit D, had you received from Mr. Merrick the letter of March 13th, Exhibit 14?

The Witness: No, sir, when I wrote my letter of March 14th, I had not received Mr. Merrick's letter of March 13th.

Q. (By the Court): Had you received Defendants' Exhibit C, from Jeffery, Kimball & Eggleson March 13th? Lay these exhibits before the witness.

(Testimony of Ralph E. Jones.)

A. No, sir, I had not received these March 13th letters when I wrote my letter of March 14th.

The Court: In ruling upon your objection, this evidence is received only in connection with the first cause of action. I have not changed my ruling with respect to the second cause of action. However, it serves the purpose of making a record of excluded evidence under Rule 41(c), as stated previously.

Mr. L. S. Lyon: My understanding is that all evidence of this class, all of the exhibits, both on direct, cross and redirect examination, is subject to that understanding and ruling, your Honor.

The Court: Yes.

Q. (By Mr. Harris): Colonel Jones, prior to the time that you sent these two copies of pending patent applications to the Schick Company with your letter of February 20, which appears as Plaintiff's Exhibit 13,—prior to that had you ever disclosed to Schick, Inc., or any of its representatives any part of either of those two pending applications.

A. No, sir. I think I had mentioned that I had applications in for two other patents in connection with electric shavers, but I didn't disclose the substance of those patent applications, or anything about the details of it, or anything of that kind, until I sent the patent application copies in.

Q. Would you have sent those applications to the defendant Schick, Inc., had you not believed you had that contract with them on January 29, 1941?

(Testimony of Ralph E. Jones.)

Mr. L. S. Lyon: That is objected to as incompetent.

The Court: Overruled. His state of mind is material as to whether or not these were negotiations for settlement of the claim.

The Witness: I certainly would not. I would not have considered it.

The Court: Of course, that is in respect only to the first cause of action.

Q. (By Mr. Harris): I hand you Defendant's Exhibit A. Have you made a study of this device to determine whether or not it correctly depicts the shaver shown in the drawings of your patent in suit?

A. I have, yes, sir.

Q. Does it properly and accurately depict the shaver shown in the patent in suit?

A. In a considerable number of respects it very definitely does not.

Q. In what respects?

A. These springs in there that tend to toss the shaving head out are one. The holes in the guards are excessively wide, thereby narrowing the material available for rounding the guards. According to the measurements I made of those guards, with my steel square and magnifying glass, the other day, and the computation I made last night, it should be 116 per cent thicker than it is in order to be in proportion to the device.

Q. The device as shown in the drawings of your patent?      A. Yes, sir.

Q. Which element should be thicker?

(Testimony of Ralph E. Jones.)

A. The thickness of the end guards, and even as thin as they are they are not appropriately rounded.

Q. Are there any other respects that you have been able to find in which this model does not illustrate properly the drawings of your patent in suit?

A. Yes, according to the drawings of my patent, it would not be possible for the end guards to rotate so far in the open position as they do in this model. I think that's all that I have noticed.

Q. Going back to this conference between yourself, Mr. Merrick and Mr. Cordiner, on January 29, 1941, had you at any time at that conference, or prior thereto, advised the defendant, [314] Schick, Inc., or any of its agents or representatives, that it was infringing your patent in suit here, or that it might infringe such patent after such patent was issued, and I exclude from that question the letter which you wrote them which appears as Plaintiff's Exhibit 8, notifying them of infringement? I mean, other than that letter, did you at any time notify them, or intimate, or refer to them that they either infringed your patent after its issue, or would infringe it after the patent was issued? [315]

A. Well, I think I had—I think I had told them some time that I had sent them a letter after I received the patent, and Mr. Merrick asked me when I sent it. And I told him, "Well, of course, I didn't get that, because that would arrive several days after I left the Schick plant."

Mr. Harris: Perhaps my question was not clear.

Q. At any time prior to January 29, 1941, did



(Testimony of Ralph E. Jones.)

you advise the Schick Company, the defendant in this case, or any of its representatives that it infringed or might possibly in the future infringe your patent in suit?

A. No, sir. I just sent that letter and I relied on that as my notification. That was the only notification.

Q. With reference to this draft of agreement that you sent the Schick Company together with your letter of January 30, 1941, both of which are marked Plaintiff's Exhibit 9, who prepared that draft?      A. I did.

Mr. L. S. Lyon: I object to that as immaterial.

Q. (By Mr. Harris): Did you have legal counsel—excuse me, your Honor.

The Court: The answer may stand.

A. I had no counsel of any kind. I just wrote it myself and sent it in as a suggestion.

Q. (By Mr. Harris): Referring you back again to the letter of March 14, 1941, that you wrote to the Schick Company, [316-317] which is marked Defendants' Exhibit D, did you at any time up to the time that you wrote that letter consult an attorney with regard to your legal rights as to the oral contract which you say you entered into with the Schick Company?

Mr. L. S. Lyon: I object to that as immaterial, not in any way binding on the defendants.

The Court: The objection will be sustained. He



(Testimony of Ralph E. Jones.)

may make a record of the witness' answer, the question and answer, pursuant to Rule 43(c).

\* \* \* \* \*

A. I did not.

Mr. L. S. Lyon: Which letter is that?

Mr. Harris: Defendants' Exhibit D.

Mr. L. S. Lyon: And that is the letter of March 9th?

Mr. F. W. Lyon: March 14th.

Mr. Harris: That concludes the redirect.

The Court: Defendants' Exhibit D is the Jones letter of March 14, 1941, is it not?

Mr. Harris: That is correct, your Honor. That concludes the redirect examination. [318]

\* \* \* \* \*

### Recross-Examination

By Mr. L. S. Lyon:

Q. Col. Jones, in your opinion, will claim 1 of your patent in suit read on Defendants' Exhibit A?

A. Well, I am not a patent lawyer. I would like to look at that claim 1.

Q. Certainly.

A. I have got a copy of it right here. Just a moment.

Q. Certainly.

A. In my opinion, that claim reads upon this device.

Q. And is your answer the same as to the other claims of your patent in suit which are involved in

(Testimony of Ralph E. Jones.)

this suit? By "those claims" I mean the same claims that you made these charts for with reference to the Colonel model. You may check the claims.

Mr. Harris: I would like the witness to check the claims on that if he is going to answer that question.

Mr. L. S. Lyon: That is satisfactory. He may check them. [319]

\* \* \* \* \*

Mr. L. S. Lyon: We will hope the Colonel will do that during the recess.

The Court: Yes. Five minutes.

A. My answer to that question is that, in my opinion, all of the claims at issue read upon this Exhibit A.

Mr. L. S. Lyon: Thank you. That is all, Colonel.

The Court: Now, so the record will be clear, those are the claims that are mentioned in the pre-trial stipulation, is that it?

Mr. L. S. Lyon: Those are the claims——

The Witness: 17.

The Court: Let us have the record show specifically.

Mr. Harris: They are those claims which are illustrated by the charts Exhibits 21-A to 21-Q, inclusive?

The Witness: That is correct, sir.

\* \* \* \* \*

Mr. Harris: If the Court please, at this time we wish to offer into evidence the deposition of J.

Harold Merrick taken at New York City on March 29, 1947, which is on file with the clerk, as Plaintiff's Exhibit 22.

The Court: May I see it, Mr. Clerk? [320]

Mr. L. S. Lyon: If the court would prefer to just read the deposition, I will stipulate that it may be deemed read in evidence, your Honor, or have it read.

The Court: Do you wish it copied into the record at this juncture?

Mr. Harris: Either way your Honor prefers. It makes no difference to us whether it appears as an exhibit or whether it is copied into the record. It is quite brief.

Mr. L. S. Lyon: And the offer includes the complete deposition?

Mr. Harris: That is correct.

The Court: Are there any exhibits?

Mr. L. S. Lyon: It includes the direct examination and cross-examination?

The Court: Are there any exhibits attached?

Mr. Harris: There are no exhibits attached.

Mr. L. S. Lyon: Will you stipulate, Mr. Harris, at this time that at the time of the taking of the deposition of Mr. Merrick, he was no longer the attorney for or connected with the Schick Company?

Mr. Harris: Yes. That is correct, your Honor. I will so stipulate.

The Court: The reporter will copy into the record at this point the direct examination and the cross-examination of the witness J. Harold Merrick.

It embraces pages 2 to [321] 17, does it not, gentlemen, both inclusive?

Mr. Harris: That is correct, your Honor.

The Court: There are no exhibits, I understand, attached?

Mr. L. S. Lyon: No exhibits.

The Court: Very well. The deposition itself will be received into evidence and marked Plaintiff's Exhibit——

The Clerk: 22, your Honor.

The Court: ——22?

The Clerk: Yes, your Honor.

**“J. HAROLD MERRICK**

“called as a witness on behalf of the plaintiff, being first duly sworn by the notary, testified as follows:

**“Direct Examination**

“By Mr. Harris:

“Q. You are an attorney and counselor at law, are you not? A. I am.

“Q. During the months of January, February and March of 1941 you were general counsel for Schick Dry Shaver, Inc., a Delaware corporation?

“A. I was.

“Q. What is your present residence?

“A. I think, legally, Wilbraham, Massachusetts.

“Q. During those months in 1941 were you an officer of the defendant Schick Dry Shaver, Inc.?

“A. It is my recollection that I was; I am not 100 per cent certain.

“Q. What office did you hold?

“A. I think I was [322] vice-president.

(Deposition of J. Harold Merrick.)

“Q. Were you at that time a director of the company?       A. No.

“Q. Were you ever a director of the company?

“A. No, I was never a director.

“Q. During those months in 1941 Mr. R. J. Cordiner was president of the company, was he not?

“A. He was.

“Q. In January of 1941 Mr. Cordiner was on a vacation in the Hawaiian Islands, was he not?

“A. He was.

“Q. Do you remember the Schick patent No. 2,288,768, the Jones patent, bearing that number, issued to Colonel Jones, who resides at San Diego?

“A. I don't remember the patent by number; I recall a patent that was issued to Colonel Ralph Jones.

“Q. And that patent was issued in January of 1941, was it not?       A. That is my recollection.

“Q. What did that patent relate to?

“A. I did not hear the question.

“Q. What did that patent relate to?

“A. I don't remember the language of the patent, but it related to a device to be attached to the electric shaver for the purpose of catching beard clippings, if I recall correctly.

“Q. How did that patent come to the attention of [323] the Schick Company, do you remember?

“A. Well, I can only say how it came to my attention.

“Q. Very well, if you will.



(Deposition of J. Harold Merrick.)

“A. The patent counsel for the company, Mr. Reginald Hicks, telephoned me one day and told me that he had read in a gazette of the issuance of a patent to Colonel Ralph E. Jones, and told me something about it.

“Q. Did you or Mr. Hicks immediately obtain a copy of that patent?

“A. I am sure that Mr. Hicks sent for it immediately. I do not think that I saw it for a week or ten days, something like that.

“Q. And very soon after this telephone conversation with Mr. Hicks you made a trip to Grand Rapids, Michigan, did you not?

“A. No, I did not.

“Q. You did not fly to Grand Rapids to see Colonel Jones in connection with that patent?

“A. No.

“Q. You did, however, shortly after this conversation, make a trip to San Diego?

“A. I did.

“Q. And that was in connection with this patent that was issued to Colonel Jones, was it not?

“A. It was.

“Q. You were empowered on making that trip, were you not, to pay up to \$50,000 to Colonel Jones for an outright purchase of the patent?

“A. That is my recollection. [324]

“Q. To get to San Diego, what means of transportation did you use?

“A. I think I used the combination of all mod-

(Deposition of J. Harold Merrick.)

ern forms of transportation: airplane, train, Super-Chief, automobile.

"Q. Were you instructed to get there as quickly as you could?

"A. Well, I did not have any too specific instructions on that point.

"Q. You first arrived in Los Angeles on that trip, did you not, before going to San Diego?

"A. I did.

"Q. You had an acquaintance, an attorney there, Joseph D. Taylor, who phoned Colonel Jones; isn't that correct?      A. I did.

"Q. And made an appointment for Mr. Taylor and yourself to see Mr. Jones in San Diego?

"A. Correct.

"Q. Do you remember that you arrived in San Diego on the 24th of January, 1941, and visited Colonel Jones at his home about 6:30 or 7 o'clock in the evening?

"A. I do not recall the exact date. I know that it was in the last part of January. I know also that we went to his home and that it was in the early evening.

"Q. That was Mr. Taylor and yourself?

"A. That is correct.

"Q. And was Colonel Jones there at that time?

"A. Yes.

"Q. And Mrs. Jones was there, too, was she not?

"A. Yes.

"Q. Was she present during the conversation that ensued?

(Deposition of J. Harold Merrick.)

“A. I could not answer that too specifically. She was there when we first arrived, and we chatted in general for some time, and I think that she left the room during the conversation. I do not recall that she was there during any of the business discussions. At the same time, I would not want to definitely say that she was not.

“Q. When did you first meet Colonel Jones?

“A. At that time.

“Q. Mr. Taylor first introduced himself to Colonel Jones, did he not, and then introduced you to Colonel Jones?

“A. I think so. Mr. Taylor had made the appointment with him, and it would certainly be natural for him to do that.

“Q. And either you or Mr. Taylor stated to Colonel Jones at that time that you were general counsel for the Schick Dry Shaver, Inc., is that a fact?

“A. We told him my status during the course of the conversation.

“Q. You asked him at that time in substance or effect whether or not he desired to sell this patent, did you not?      A. I did.

“Q. And he stated in substance or effect that he did not want to sell it; isn't that a fact?

“A. I am not certain that he said he would not sell it at all. He certainly said that he was going to try to make a fortune out of the patent. Whether he indicated any selling price that was so high that it was not considered by us or not, I don't recall.

(Deposition of J. Harold Merrick.)

“Q. Do you recall that you advised him during the conversation that you were not empowered to enter into license agreement with him under which he would license this patent to the Schick Company, that that was something within the province of Mr. Cordiner?

“A. There are two parts to that question. I undoubtedly did advise him that I had no authority to negotiate a license agreement. I was empowered to purchase it. As far as stating who had the power to enter into any license agreement, I don't recall.

“Q. He did, however, discuss with you the possibility of a license agreement at that time, did he not?

“A. Yes.

“Q. Did you tell him during that conference, in substance or effect that Mr. Cordiner was in the Hawaiian Islands, and that you would have to get in touch with him there, and that you would do so?

“A. Yes.

“Q. And that you would find out if it was agreeable to Mr. Cordiner to cut short his vacation in the Hawaiian Islands and return to this country for a conference in connection with such license? [327]

“A. I am not certain that I knew at that time when Mr. Cordiner was intending to return. My recollection is that I told him that if I found that he was not intending to return within a comparatively short time, I might suggest to him that he hasten his departure. I do not think at that time I knew just when he was due back.

(Deposition of J. Harold Merrick.)

“Q. Do you remember any of the further details of that conference with Colonel Jones?

“A. So far as it relates to the matter at hand, no. I remember we had some discussion about military tank tactics, and Colonel Jones’ book on that subject.

“Q. Then you and Mr. Taylor departed and arranged with Colonel for a further meeting?

“A. Yes. We did not make any arrangements at that time for a definite meeting, but we said that we would be in touch with him later, after we had communicated with Mr. Cordiner.

“Q. And subsequently to that meeting you telephoned Mr. Cordiner, did you not, and discussed this situation with him?

“A. I do not think I did. I am not certain whether, when I got back to Los Angeles, I discovered he had already left Honolulu, or just what the situation was. My recollection is vague on that.

“Q. Do you know whether you did hold a further meeting with Colonel Jones and with Mr. Cordiner in Los Angeles at a later date?           A. We did.

“Q. After you left Colonel Jones’ residence in San Diego, several days later you communicated to him that such a conference could be held and he agreed to come to Los Angeles for it, did he not?

“A. He did.

“Q. And such a conference was held in Mr. Taylor’s law office in Los Angeles, was it not?

“A. It was.



(Deposition of J. Harold Merrick.)

“Q. And that was on January 29, 1941, was it not?

“A. My recollection is that it was four or five days following our conversation with Colonel Jones at his house. I do not know the day of the month.

“Q. And that conference was held at 930 A. G. Bartlett Building in Los Angeles, was it?

“A. What was that building?

“Q. A. G. Bartlett Building.

“A. I don't recall any such name.

“Q. You do not recall the name of the building?

“A. No.

“Q. Or the address?           A. No, I do not.

“Q. Was it on West 7th Street?

“A. Well, it was in the downtown section, near the center of affairs. I do not recall the location.

“Q. At the time of that conference was 1 or 2 o'clock in the afternoon, was it not?

“A. I do not recall the time. It seems to me that we met later than anticipated, and that it interfered with luncheon somehow or other. I do not recall much more about than that at the time.

“Q. Who was present at that conference besides yourself and Colonel Jones?

“A. Mr. Cordiner, I think.

“Q. Is it not a fact that there was considerable discussion there, particularly by Colonel Jones, to the effect that he desired to grant Schick Dry Shaver, Inc., a license under this patent of his in return for a royalty to be paid by the company to him?

(Deposition of J. Harold Merrick.)

“A. Yes, I think I can answer the question in the affirmative. He certainly indicated that he was willing to grant a license, an exclusive license.

“Q. Did you or Mr. Cordiner at any time during that conference indicate in substance or effect that you hoped that Colonel Jones would take a royalty of something like \$6,000 a year under such a contract, so that he would be “fixed for life”?

“A. I do not recall that sum of money having been discussed at that conference at all. A sum of money was talked about at Colonel Jones’ home as being the approximate amount of his retired army pay, and he said he was fixed for life because he had an amount of income as a retired army officer.

“Q. Was there any discussion at that conference as to whether such a royalty would be figured on a manufacturer’s selling price or on the retail price?

“A. We had considerable discussion about what was the proper basis on which to determine the percentage of royalty.

“Q. And Colonel Jones inquired, did he not, as to the approximate number of dry shaver sales per year past and to be expected, as made by the Schick Company?

“A. I am quite certain that we gave him the figures on past production, and our hopes and expectations as to the future.

“Q. Do you remember that either you or Mr. Cordiner said in substance or effect that you ex-

(Deposition of J. Harold Merrick.)

pected to sell, that is the company expected to sell, about 400,000 dry shavers during the ensuing year?

"A. I do not recall the amount or the number that we estimated at that time, of 1941 production.

"Q. Do you recall that Colonel Jones made an offer to license Schick Dry Shaver, Inc., under this patent of his at a royalty rate of 11½ per cent of the company's sales price on all dry shavers that it sold, such license to be an exclusive license to the Schick Company?

"A. I do not recall the exact percentage that he used in his offer. It was in that range.

"Q. Do you recall that either you or Mr. Cordiner, in substance or effect told Colonel Jones at that time [330] that whatever royalty rate he asked for was a lot of money, and too much or too high a royalty rate?

"A. I certainly recall that we considered his offer was exorbitant; that is, the price that he was asking was exorbitant; that he wanted to have the royalty measured by the sales price of the entire shaver, including the whisker attachment, which represented a comparatively small part of the cost. Therefore, we considered that the figures that he used were entirely disproportionate.

"Q. Do you recall that you told him, either you or Mr. Cordiner, in substance or effect, that under such a royalty rate as proposed by him he would have a quarter of a million dollars earned in six or seven years?

(Deposition of J. Harold Merriek.)

“A. I recall that we told him that the amount of money that he would receive if the company paid him the rate which he suggested would yield a very large sum of money.

“Q. In response to that offer by Colonel Jones, did you or Mr. Cordiner in substance or effect ask him if he would take 1 per cent royalty instead of the 1½ per cent or higher royalty that he suggested? A. We made him a counter-offer——

“Q. What was the substance or effect of that?

“A. I do not recall the percentage used by us in our offer, more than I do of his offer. I know that we made one substantially lower than what he had asked. [331]

“Do you recall that in response to that counter-offer he said that he would not accept that, or to that effect? A. I do.

“Q. And then is it not a fact that the meeting seemed to be at a stalemate and you and Mr. Cordiner arranged for your return transportation to New York City?

“A. You mean while we were at the conference?

“Q. Yes.

“A. No, I do not recall just when we did arrange that.

“Q. Then do you recall that Colonel Jones made this proposition: That he would grant the company an exclusive license under his patent rights, that is this patent that we have been talking about, in return for a 1½ per cent royalty on all dry shavers



(Deposition of J. Harold Merrick.)

manufactured by the company until the total royalties received by him should aggregate \$250,000, and thereafter the company was to pay him 1 per cent of all further dry shavers sold by it?

"A. I recall that Colonel Jones tried to combine his original offer and our counter-offer, and suggested a graduated scale of royalties. I do not remember what the percentages were or the dollar amounts.

"Q. Do you recollect that in that offer he also requested that the company pay him \$30,000 in advance as a credit against royalties to be earned under this agreement?

"A. I recall that he wanted a substantial down payment. [332] I do not recall the amount of it.

"Q. And that down payment was to be credited against future royalties?

"A. Against advance royalties, that is.

"Q. Do you recall that in response to this offer Mr. Cordiner said to Colonel Jones, in substance or effect, 'You drive a hard bargain'?

"A. I think words to that general effect were used.

"Q. And do you recall that Mr. Cordiner also said, in substance or effect, 'Is that the very best figure that you are willing to make'?

"A. I do not recall those words.

"Q. Do you recall that then you and Mr. Cordiner left the room and had a private conversation out of the presence of Colonel Jones?

"A. Yes, I recall that.



(Deposition of J. Harold Merrick.)

“Q. And do you recall coming back into the room and again meeting Colonel Jones, in a few minutes—— A. Again doing what?

“Q. Again meeting Colonel Jones in a few minutes? A. Yes.

“Q. And that when you and Mr. Cordiner re-entered the room, Mr. Cordiner held out his hand to Colonel Jones and they shook hands, and Mr. Cordiner said, ‘It’s a deal’?

“A. I recall his shaking his hands and using words to that effect.

“Q. Do you recall anything else that was said at that [334] conference by any of the three of you, in substance or effect?

“A. Well, we discussed some of the terms that would necessarily have to be inserted into a license agreement of that kind. We discussed a very large number of such subjects, including some pending patent applications of Colonel Jones, and whether he would turn over the prosecution of those applications to us.

“We called his attention to the captions that would necessarily be included in the patent agreement, and asked him if he was prepared to discuss the provisions that would have to be written in under those captions of such agreements, and he said, ‘No.’

“We asked him about his patent counsel, and he said he had no patent counsel, that he always acted as his own. I told him that it would be a very un-

(Deposition of J. Harold Merrick.)

wise thing for him to attempt to negotiate a patent license agreement with us, acting as his own counsel, and illustrated the importance of getting counsel by asking him whether he would agree to certain provisions in the agreement that we thought would be needed in it. And he said that he had no ideas on the subject, and he said that I was right, that he would have to get counsel.

“We discussed who would make the first move in preparing drafts; whether he would come East at the time, or whether we would take it back West to personally go [334] over it with him.

“I recall that he was to give us his thought on certain specific clauses, writing them out as well as he could and sending them on to me, and if they were found acceptable in principle, I would try to cast them in acceptable legal language, and then prepare a draft of the other clauses that we were interested in and send it on to him, and then he would decide whether he would use local counsel out there or get someone in New York to represent him.

“Q. And then the meeting concluded, did it?

“A. It finally concluded. It lasted several hours, as I recall—two or three hours altogether, I have forgotten. I think we went to lunch together and we talked awhile at lunch.

“Mr. Harris: That is all. You may cross-examine.

(Deposition of J. Harold Merrick.)

“Cross-Examination

“By Mr. Lyon:

“Q. Was Mr. Taylor present during your discussion with Colonel Jones on the occasion that Mr. Cordiner was present? A. I think not.

“Q. What experience had you had in settling the terms of a patent license agreement before that meeting with Colonel Jones?

“A. I had had, oh, perhaps four or five—I had negotiated four or five substantial patent license agreements.

“Q. Were you familiar with the provisions that customarily [335] are required to be covered in such a license agreement? A. I think so.

“Q. Did you settle, on the occasion of your meeting with Colonel Jones at which Mr. Cordiner was present, all of the terms that would be required in such a license agreement? A. We did not.

“Q. Was anything said as to whether or not Colonel Jones reserved the right to approve or disapprove the completed written agreement when it was finally prepared?

“A. Well, both sides understood that a considerable number of important clauses would have to be inserted in the agreement that were not discussed at that meeting. The agreement was reached only in respect to the basic royalty provisions. Questions as to rights and obligations in respect to offensive and defensive litigations were touched on rather briefly.

“My recollection is that Colonel Jones was not prepared to go as far as we thought he should in

(Deposition of J. Harold Merrick.)

authorizing the expenses and damages that might be incurred by the Schick Company in defending litigations, to be deducted from royalties. I remember that we had a discussion whether it would apply only to current royalties for that year, or back royalties, whether it would be a lien on future royalties, and he said that he had not thought about those matters and was not prepared to give an answer at this meeting.

"Mr. Lyon: That is all.

"Mr. Harris: That concludes the deposition of Mr. Merrick.

"Mr. Lyon, may I have a stipulation that this deposition may be signed by Mr. Merrick before any notary public and then returned to the reporter here for transmittal to the court?

"Mr. Lyon: After Mr. Merrick reads it over and approves it?

"Mr. Harris: Yes, and after he makes any corrections which he may have.

"Mr. Lyon: I am willing that he should sign either here or at his home the deposition, with the same force and effect as if it were signed here before the notary public who is taking the deposition.

"Mr. Harris: Thank you.

"J. HAROLD MERRICK,

"Subscribed and sworn to before me, this 28th day of August, 1947.

[Seal]

"DOROTHY W. DE SORMO,

Notary Public, State of New York.

Commission Expires March 30, 1949." [337]

\* \* \* \* \*



The Court: It is agreed, gentlemen, that R. J. Cordiner was the president of the defendant, Schick, Inc., at the time, that is, during the period from the first of January, 1945 (41) through the month of April, 1945 (41)?

Mr. L. S. Lyon: Yes, your Honor. But, so there will be no misunderstanding, your Honor asked me a day or two ago if I conceded that Mr. Merrick was qualified to represent the Schick Company; and I stated that I did. I meant by that, to make contact with Col. Jones to make him the original offer which Col. Jones rejected. And Mr. Merrick, in his own deposition, states that he had no authority to go any further.

The Court: Was he general counsel for the company?

Mr. L. S. Lyon: Yes.

The Court: Both prior to the first of January, 1945 (1941) and subsequent to the first of April, 1945 (1941)? I am using those dates just to cover this period.

Mr. L. S. Lyon: Yes. At the time of the meeting with Col. Jones at which he was present, and at the meeting at which Mr. Cordiner was present, Mr. Merrick was the general [338] counsel for the Schick Dry Shaver, Inc. Some short time after that he terminated his relation with the company.

The Court: So that he was general counsel during the time he wrote and signed this correspondence here?

Mr. L. S. Lyon: Yes, sir, your Honor.



The Court: Is that stipulated?

Mr. Harris: That appears in the pre-trial stipulation, your Honor.

\* \* \* \* \*

Mr. L. S. Lyon: Let us get that straight. I am afraid your Honor mentioned "1945."

The Court: "1941" I should have said. [339]

\* \* \* \* \*

The Court: Let us make it brief, then, gentlemen. Will it be stipulated that at all times material to these dealings between plaintiff Jones and Schick Company that Cordiner was president of the company?

Mr. L. S. Lyon: Yes.

The Court: And Merrick, J. Harold Merrick, was general counsel?

Mr. L. S. Lyon: Yes, sir. But, as president of the company, I am not stipulating that Mr. Cordiner had the right to bind the company in the absence of action of the board of directors.

\* \* \* \* \*

Mr. Harris: \* \* \* Next in order, may we offer one more letter in this chain of correspondence between the plaintiff and the defendant, [340] Schick, Inc., which is attached to the pre-trial statement as exhibit 22 thereto, as Plaintiff's Exhibit 13. That is the letter from—excuse me, that is not the one I had in mind.

The Court: Exhibit 22 of the pre-trial stipulation is now Exhibit 13 in evidence, according to my notes.

Mr. Harris: That is correct, your Honor. I am sorry on that. The one I had in my mind was Exhibit 27 of the pre-trial statement, which is a letter from J. Harold Merrick to Col. Jones dated March 15, 1941, attached to the pre-trial statement as Exhibit 27; and that I wish to offer as Plaintiff's Exhibit 23.

\* \* \* \* \*

The Court: It is received into evidence for all purposes as to the first cause of action.

Mr. L. S. Lyon: Yes.

The Court: For the purpose of the second cause of action, at this time it is received only for the purpose of making the record of excluded evidence pursuant to Rule 43(c), as to the second cause of action. It will be Exhibit 23, will it, Mr. Clerk?

The Clerk: Yes, your Honor. [341]

Mr. Harris: Next in order, if the Court please, we wish to offer into evidence the exhibit which is attached to the stipulation supplementing pre-trial statement, which is present Exhibit 19, that exhibit attached to that stipulation being identified in the stipulation as exhibit 37; and I wish to offer that circular. It is a circular put out by the defendant, Schick, Inc.; I wish to offer that into evidence as Plaintiff's Exhibit 24.

\* \* \* \* \*

The Court: The offer will be received into evidence for all purposes as to the first cause of action and it will be marked Plaintiff's Exhibit.

The Clerk: 24, your Honor.

The Court: As to the second cause of action it will be received for the purpose of making the record of excluded evidence pursuant to Rule 43 (c).

\* \* \* \* \*

## BERT C. QUASNOVSKY

called as a witness by defendants, being first sworn, was examined and testified as follows:

The Clerk: Please state your name.

The Witness: Bert C. Quasnovsky, Q-u-a-s-n-o-v-s-k-y.

Mr. Harris: Excuse me, your Honor. I haven't got the full name of the witness.

(Name repeated by the reporter.)

The Witness: That is right.

## Direct Examination

By Mr. L. S. Lyon:

Q. What is your age?

A. I am 34 years old. [385]

Q. Where do you reside?

A. I reside in Old Greenwich, Connecticut.

Q. By whom are you employed?

A. Schick, Incorporated.

Q. Where do you work, at what locality?

A. Stamford, Connecticut.

Q. How long have you been employed by Schick, Incorporated or its predecessor at the factory of the Schick Company in Stamford, Connecticut?

A. I joined the organization November 17, 1931.

Q. Have you been employed there continuously since that date up to the present time?

A. With exception of the latter part of '43 to the early part of '46, during which I was in the naval service.

Q. At the present time in what capacity are you employed at the Schick factory?

A. Chief inspector.

Q. What does that mean?

A. Well, that means that I have to interpret the drawings to manufacturing as produced by our

(Testimony of Bert C. Quasnovsky.)

engineering department decided for the inspection department, the standards.

Q. What do you mean by the standards?

A. The acceptability of the product to the customer. [386]

Q. And how long have you been employed by the Schick Company in the capacity of chief inspector of production?

A. I have been chief inspector since 1932. Prior to that I was the final inspector.

Q. Will you just explain briefly to the court what inspection organization Schick Company maintains and employs in its factory?

A. Well, we have various types of inspection departments, namely, we have a receiving inspection. By that I mean we inspect all incoming parts, whether it be raw material, fabricated. Then we have the inspection throughout the plant by floor inspection, where the floor inspectors check each operator at each machine. We have work centers where each man's work is inspected, either accepted or rejected. We have a final inspection department where the work, after plating operation or any operation that is completed, where each part is inspected 100 per cent prior to packing and delivering to the customer.

Q. As chief inspector are you familiar with the engineering drawings and production drawings of the devices that are being made by the Schick Company in its factory?

A. That is right, sir.



(Testimony of Bert C. Quasnovsky.)

Q. Are you personally in charge of the personnel that makes the inspection of the product as it is being manufactured at the various stages you have explained? [387]

A. That is right, sir. I am responsible to the management for the quality of the product that leaves Schick Company.

Q. Will you give the court some idea of what the production is at the Schick factory, how many dry shavers, electric dry shavers are being made per day?

A. Well, our present schedule now, we turn out about 85 to 90 thousand per month.

Q. Throughout your employment since 1931 by the Schick Company have you served the company in the same capacity you have just explained, except that for the first you were assistant in charge of inspection and then became chief inspector?

A. That is right, sir.

Q. Can you produce a specimen of the Schick razor as was being manufactured and sold by the Schick Company from the Stamford factory when you first went to work with the Schick Company?

A. I believe I can.

Mr. Harris: If the Court please, there are a number of shavers in the court room. I suggest that the shavers all be given the witness and let him produce them, and not hand to him separately as is now apparently being done by counsel.



(Testimony of Bert C. Quasnovsky.)

Mr. L. S. Lyon: That seems to be unnecessary, but I am [388] perfectly willing to let the witness go around the court room and pick them out, if the Court desires me to.

The Court: Are these different models that are in evidence?

Mr. L. S. Lyon: Yes, your Honor. I ask that the model that I hold in my hand be marked Defendants' Exhibit——

The Clerk: F.

Mr. L. S. Lyon: ——F for identification.

Q. I hand you a shaver which has been marked Defendants' F for identification. Can you identify this shaver?      A. Yes, sir; I can.

Q. What is it?

A. May I have a screwdriver so that I can open it? (After using screwdriver) It is a late model known as Model A.

Q. What do you mean by a late model?

A. The models changed as the parts were manufactured differently. This is known as Model A because the contact mechanism lies down.

Q. When was this device manufactured by Schick Company if you know?

A. To the best state of my thinking the fall of 1931.

Q. And where did you obtain this specimen to bring it [389] here to the court room?

A. I took this out of our museum at the Schick engineering department.

(Testimony of Bert C. Quasnovsky.)

Q. Can you remember this model and testify as of your own recollection that it was the model which represents the production at the Schick Company as early as 1931?

A. This may not be the one that I can recall, but we did make them like this; yes.

Q. Exact duplicates?

A. That is right, sir.

Q. I call your attention to the face of the cutting head of Exhibit F for identification; what do you call the structure that is formed by that face which projects over the sides of the face?

A. The comb.

Q. Would you state whether or not combs such as on Exhibit F were on the Schick razor from the time you first knew of its manufacture when you went to work there in 1931?

A. Yes; they were.

Q. Have any Schick razors been made since that time without that comb?

A. No; they haven't.

Q. I call your attention to the two widened members or elements at the end of the comb; what are they?

A. That is called the reinforcer. [390]

Q. Were those reinforcers embodied on the Schick razor head as produced by the Schick Company when you first entered their employ?

A. Yes.

Q. Have they been present on all Schick razors since that time?

A. That is right, sir.

(Testimony of Bert C. Quasnovsky.)

Q. That have been manufactured at the company's plant, to your knowledge?

A. That is right, sir.

Q. What is the purpose of this reinforcer?

A. To strengthen the shearing plate.

Q. What do you mean by the shearing plate?

A. If the edge of the shearing head were not as thick as the reinforcer on this model, Exhibit F, there would be a lack of strength. With a slight touch of banging it would dent. We had the reinforcer made wide to insure the strength of the thin plate.

Q. I call your attention to the fact that the slits across the cutting head are flared outwardly at the sides of the cutting head. What is the purpose of that structure?

Mr. Harris: Objected to, if the Court please, as beyond the qualifications and scope of this witness. He has not testified to any qualifications which enable him to answer this question. He is merely the inspector of the plant. He is not a part of the designing or engineering group of the plant. What the purpose is of including any element in a particular device, I don't think it is proper to ask that question upon the present foundation.

Mr. L. S. Lyon: The witness testified he is familiar with engineering drawings.

The Court: He might be familiar with the drawings, and not know what was in the mind of the engineer who drew it.

(Testimony of Bert C. Quasnovsky.)

Q. (By Mr. L. S. Lyon): Do you know what the purpose of that structure is?

A. Yes. I would like to present my drawings, if I may, [391-A] that I have made.

Q. In the early days did you yourself make any of the production drawings of the devices that were to be manufactured? A. That's right, sir.

Q. Did you ever make a drawing showing the cutter head, and the feature you have just called attention to? A. That's right, sir.

Q. When?

A. May I have the drawing? It was in the latter part of 1931.

Q. Can you produce that drawing?

A. I can.

Q. Please do so.

Mr. Harris: May the record show that when counsel for the defendants asked the witness to produce the drawing that counsel produces the drawing; not the witness?

The Court: The record will so show.

Mr. L. S. Lyon: I ask that the drawing which I hand to the clerk be marked for identification. I believe, your Honor, I am proceeding in accordance with the directions that are on the table here.

The Court: Proceed, Mr. Lyon. Hand it to the clerk, please.

Q. (By Mr. L. S. Lyon): Will you hand this copy, Exhibit G for identification, to the Court? I hand you Defendants' [392] Exhibit G for identification. Can you identify this drawing?

A. Why, yes, this Exhibit G.

(Testimony of Bert C. Quasnovsky.)

Q. Who was it made by?

A. The drawing was made by myself. There are my initials B.C.Q.

Q. On what date did you make this drawing?

A. I do not know the exact date I started it, but I know I finished it January 4, 1932.

Q. In whose handwriting is the date 1-4-32, that appears on this exhibit?

A. It is in my handwriting.

Q. Did you place that handwriting on the exhibit on that date?

A. The date I finished the drawing, 1-4-32, yes, sir.

Q. What is this the drawing of?

A. This drawing, Exhibit G, is of the part named, outside cutter assembly. It shows a three-view drawing.

The uppermost figure is looking down at the shear plate. That is looking at the teeth, with the reinforcing members on the outermost end. The view below is a side view, which shows the thumbscrew notch. On the right-hand side there is an end view showing how the cutter appears when looking at its end.

Q. What use was made of this drawing, if any, upon its completion?

A. The object of this drawing, after completed they are [393] passed to the inspection and manufacturing department, and as much information is added on from the engineering to help the manu-



(Testimony of Bert C. Quasnovsky.)

facturing department to manufacture the cutter according to the standards set by engineering.

Q. In other words, by the standards set by engineering, you mean the dimensions and so forth, as they appear on this drawing, Exhibit G for identification?

A. That's right, sir.

Q. I notice in the upper right-hand corner of Exhibit G for identification a legend reading: Teeth round & polished. Is that your handwriting?

A. It is, sir.

Q. When did you put that legend on the drawing?

A. I put that on the drawing sometime before the time I finished the drawing, on 1-4-32.

Q. What did that legend refer to: Teeth round & polished?

A. It had been the practice then, and still is the practice with us to put as much notation on the drawings which will help manufacturing the shearing head. Teeth round & polished, means to break the teeth and reinforcing element at each end, to soften them and make the ends round.

Q. What do you mean by the word "break"?

A. To take the sharp corners off; to polish and make the edges round. [394]

Q. Is that an ordinary engineering term that is used when you are speaking of eliminating sharp corners or edges, to use the word "break" in the sense that you break the corner or edge?

A. That is the term that we use, in relieving a corner prior to rounding. We call it breaking the corner, or polishing, either.

(Testimony of Bert C. Quasnovsky.)

Q. This legend: Teeth round & polished is accompanied by two arrows. Can you tell us what particular surfaces or edges or corners were broken in carrying out the direction of that legend?

A. Yes, I can. The end of the comb, that is, the two overhanging rows of teeth, one on each side of the cutter, had to be polished and buffed, to be rounded off, to prevent any sharpness on its edges. The arrow, likewise, points to the reinforcement elements at each end, to polish and buff the elements to soften the edge and round it so as not to be injurious to the user.

Q. Below, on Exhibit G for identification, is the legend reading: Gnd & lap. Then across is another legend reading: Lap & polished. To what do those two legends refer?

A. The first, Gnd & lap means grind and lap. In other words, we used to grind and lap the under side of our shearing plate to insure its cutting edge. In other words, the outside, the outside shearing plate, the edge of the teeth, they make [395] direct contact with the inside cutter, and must be sharp, and the legend refers to that.

Q. What does the other legend, lap & polished refer to?

A. It refers to the side view. If you will notice, there are a set of teeth, and on the top of each tooth there represents an angle that appears to the bottom of the cutting plate. It is lapped by a rotary machine, so that the hair may be admitted and cut

(Testimony of Bert C. Quasnovsky.)

squarely. It insures the edges. The word "polished" was used—after this operation the shearing head is fairly rough, and we polish it to smooth it off.

Q. Were the Schick electric dry shavers that were being produced at the Stamford factory of the Schick Company, following this date, January 4, 1932, rounded and polished in accordance with this Exhibit G for identification?

A. There is only one difference in the cutter manufactured today. On the end view, where it says Gnd., where it is ground, we do not underside grind that any more. We have improvements in lapping. Other than that, the procedure is the same.

Q. It has been the same ever since January 4, 1932?

A. The manufacturing procedure has, that's right, sir.

Mr. L. S. Lyon: I would like to offer in evidence Defendants' Exhibit F for identification, if your Honor please.

The Court: That is the Schick shaver?

Mr. L. S. Lyon: Of 1931. [396]

The Court: Received in evidence.

Mr. L. S. Lyon: I would like to offer in evidence Exhibit G for identification, the drawing made by the witness, dated 1-4-32.

The Court: Received in evidence.

Mr. Harris: If the Court please, on the question of the drawing, this is merely a photostat, and I in-

(Testimony of Bert C. Quasnovsky.)

sist counsel have the original here in court, with which I may, on cross-examination, ask the witness questions. I make no objection to this photostat being put into evidence.

The Court: Hasn't the original been put into evidence?

Mr. L. S. Lyon: The original is the exhibit. I hand you a photostat for your own use.

Mr. Harris: I am sorry.

Q. (By Mr. L. S. Lyon): I show you three additional electric shavers, and ask you if you can identify those three shavers? A. Yes, I can.

Q. What are those?

A. It's a C model and a B model and an S model.

Q. In the order of their date of manufacture, which came first? A. The B model.

Q. Hand that to me, please. I will ask that this shaver, which the witness has just identified as the B model, [397] be marked as Defendants' Exhibit H for identification.

The Clerk: So marked.

Q. (By Mr. L. S. Lyon): The next model in order, is the C model? A. That's right.

Mr. L. S. Lyon: I will ask that the shaver which the witness has identified as the C model shown in in the record already for identification as Exhibit for identification be received.

The Court: It may be marked I for identification.

Mr. L. S. Lyon: It can remain B, so far as I am concerned. It was shown to Colonel Jones.

(Testimony of Bert C. Quasnovsky.)

The Court: It will remain B for identification. Exhibit I for identification is not yet marked.

Mr. L. S. Lyon: No.

Q. The third shaver is what?

A. The S model.

Mr. L. S. Lyon: I will ask that the specimen of the S model, which the witness has identified, be marked for identification as Exhibit I for identification.

The Court: Exhibit for identification is the C model, is that correct?

Mr. L. S. Lyon: Yes, and Exhibit H for identification is the B model, is that correct?

A. That's the first model. [398]

Q. I am handing you Exhibit H for identification. What model is that?

A. That is the B model.

Q. Referring to Exhibit H for identification, when was this B model being manufactured and sold by the Schick Company, to your knowledge?

A. 1932.

Q. On what date?

A. Well, I would place the date about February, '32.

Q. And they continued to manufacture that model for how long, approximately?

A. I should judge, offhand, about a year or a year and a half.

Q. Is this Exhibit H for identification a true and correct specimen, fairly showing that model of the Schick razor?

A. That's right, sir.



(Testimony of Bert C. Quasnovsky.)

Mr. L. S. Lyon: We will ask that Exhibit H for identification be received in evidence as Defendants' Exhibit H.

The Court: Received in evidence.

Q. (By Mr. L. S. Lyon): I hand you Defendants' Exhibit B for identification. Will you state when the Schick Company was manufacturing and selling the C model, as represented by this exhibit?

A. In 1934. I would place it about the summer of '34.

Q. And continuing until what date? [399]

A. To perhaps, to the best of my knowledge—I can't give the exact date—the early part of '35 or the summer of '35.

Q. Where did this particular specimen, Exhibit B, come from?

A. That is from the engineering museum.

Q. Do you have an engineering museum in the Stamford factory, where you keep specimens of the different models of the Schick razor that have been made over a period of the past?

A. That's right, sir.

Q. These exhibits you have brought here and identified are from that museum?

A. That's right.

The Court: Isn't there a card, or something, on them in the museum that gives the date between which they were manufactured?

The Witness: Yes, we have in the museum set up in the engineering—there is a cabinet with the shavers; then we have made a reference card on the

(Testimony of Bert C. Quasnovsky.)

bottom. These are not the exact shavers from the cabinet, but these are samples that are in the cabinet, underneath the museum boards.

Q. (By Mr. L. S. Lyon): In other words, they are extra specimens? A. That's right, sir.

Q. You did not bring the ones that are cataloged in the [400] exhibit with you? A. No.

Q. You brought the duplicate specimens?

A. That's right, sir.

The Court: Do you offer as an exhibit B for identification?

Mr. L. S. Lyon: I offer B for identification in evidence, your Honor.

The Court: Received in evidence.

Q. (By Mr. Lyon): I show you Defendants' Exhibit I for identification, which you state is the S model. Will you state when that model was in production and on sale by the Schick Company?

A. If my memory serves me correctly, I would put the date sometime in the summer or the fall of '35.

Q. How long did it continue in production, the S model?

A. The S model continued perhaps three years or so.

Q. Can you identify this particular Exhibit I for identification, the specimen of the S model, as it was manufactured and sold by the Schick Company during those years?

A. It looks like it, yes, sir.

Q. You can so identify it?

A. That's right, sir.

(Testimony of Bert C. Quasnovsky.)

Mr. L. S. Lyon: I will offer Exhibit I for identification in evidence, in your Honor please. [401]

The Court: Received in evidence.

Q. (By Mr. L. S. Lyon): What model superseded Exhibit I, the S model?

A. I believe the early Colonel.

Q. The early Colonel? A. That's right.

Q. Is there a specimen here of the early Colonel? Have you looked at the specimen in evidence, Plaintiff's Exhibit 3? Is that what you refer to as the Colonel?

A. It's the Colonel, but I can't quite put my dates together as to the models; there were so many changes of models, that I can't give you the exact model.

Q. Do you remember approximately? Can you approximately fix the date? A. Perhaps 1938.

Q. You are referring now to the shaver shown in Plaintiff's Exhibit 3, and you mean by your answer that you would say late in '38 the Schick Company commenced the production of that model?

A. To the best of my memory. I may be wrong.

Q. You are satisfied that is approximately correct? A. Yes.

Q. This Colonel model, as shown in Plaintiff's Exhibit 3, superseded the S model, is that correct?

A. To the best of my knowledge. [402]

Q. Were the methods of manufacture, employed in making the cutting ends on these various models, commencing with the A model, and continuing

(Testimony of Bert C. Quasnovsky.)

through B, C and S, and up to and including the Colonel model, any different?

Mr. Harris: That is objected to. There is no foundation as to the methods of manufacture, other than the finishing methods, and the inspection by this witness. I don't think he is qualified to answer any question as to manufacture.

Mr. L. S. Lyon: I will ask a preliminary question:

Q. In operating your department as chief inspector, to what extent do you keep yourself informed as to the exact methods of manufacture being employed in the factory?

A. By referring to the latest drawings issued.

Q. By referring to the latest issued drawings?

A. Yes.

Q. What drawings are you referring to now?

A. Drawings that are handed from the inspection department, from the engineering department, as they are issued and superseded at the time.

Q. In other words, the engineering department issue manufacturing drawings to the production department from time to time?

A. That's right, sir.

Q. And the production department carried out their [403] manufacturing according to those drawings?

A. That's right, sir.

Q. Whenever any such drawings were issued, were copies sent to you as chief inspector?

A. That's right.

(Testimony of Bert C. Quasnovsky.)

Q. In that way you were able to correlate your inspection with the actual manufacturing steps taken in the factory? A. That's right, sir.

Q. In that way you advised, or did you understand the methods of manufacture employed in the factory?

A. Yes. Prior to any definite change in methods of manufacture we always consulted one another to make sure that everybody is in agreement on the standard of method used.

Q. So far as any rounding or buffing or polishing of the cutter head, was there any change made over the years from the time your first knowledge of the manufacture of the model then and up to and including the Colonel?

A. Of course, improvements in methods have advanced since the years went by. Our original methods were crude. There were not the fast machines as they have today.

Q. Suppose you start with model A, as exemplified in Exhibit F, and describe the procedure by which the shaving head was rounded and buffed and polished.

A. May I take the shaving head off?

Q. Yes, you may do so temporarily. [404]

Mr. Harris: If the Court please, may I ask a question of the witness?

The Court: Yes.

Q. (By Mr. Harris): Did you personally witness that rounding, that buffing and polishing?

A. As chief inspector I traveled throughout the plant.



(Testimony of Bert C. Quasnovsky.)

The Court: The question is, did you see it?

A. Not this particular shearing head, but I have seen the operation done.

Q. (By Mr. Harris): You mean you have seen it done on similar shearing heads?

A. That's right.

Q. Shearing heads identical with this one?

A. That's right, sir. In the first place, the manufacture of the shearing head up to the point of buffing is fairly sharp on all corners, because of grinding and milling. The operation first—I am referring to Exhibit F, if you will observe that the four corners of the reinforcer element, that is, the end of the reinforcers are rounded. This method was done by the shearing head held at an angle of approximately 45 degrees, and with a wrist motion, and an emery wheel swung in a radii of approximately four to six inches, thereby rounding each end. This can be well seen in Exhibit F. The roundness of the comb is due to a buffing wheel, a very soft wheel, which permits it to get in between the throat. [405] By throat I mean at the end. On the side of each shearing head you will notice a series of points. These were softened and rounded by this buffing method, to round the edges, and open the throat, to relieve any sharpness that may occur and cause discomfort in shaving. That is the method on the 1931 cutter. [406]

Q. Now, you have described the buffing. Is that the method by which the corners and the sharp edges are rounded off and polished?

A. That is right, sir.

(Testimony of Bert C. Quasnovsky.)

Q. You have referred to the throat, these slits that extend across the cutting face of the shaver. I notice that on Exhibit F those cutting slits are enlarged at each edge of the comb, widened out, is that correct? A. That is right, sir.

Q. Was that done from your first knowledge of the manufacture of the Schick razor?

A. Oh, yes.

Q. And has always been done on all the Schick razors? A. Yes.

Q. What was that for? What purpose was accomplished by that, if you know?

A. To admit the hair and to cut more readily.

Q. And those slits were extended clear across the face of the cutting head and were open-ended, is that correct? A. That is right, sir.

Q. That has always been true of the Schick razors? A. That is right.

Q. Since you have been with the company?

A. That is right, sir. [407]

\* \* \* \* \*

BERT C. QUASNOVSKY

(Recalled)

Direct Examination

(Resumed)

By Mr. L. S. Lyon:

Q. I hand you Defendants' Exhibit H, which is the [412] Model B type shaver which you have identified. Will you state whether or not the method employed of rounding and polishing the

(Testimony of Bert C. Quasnovsky.)

cutter head was the same in that model as you have described was employed in connection with the earlier Model A?      A. That is right, sir.

Q. No change?

A. No. The method of employing or rounding and polishing is the same.

Q. I will hand you now Exhibit I, which is the S Model that you have identified. Will you state whether or not the method employed in rounding and polishing the cutter head in that device was the same?

A. Well, as the years went by, the method has been improved.

Q. In what respect?

A. Of applying the cutter on a bar or an arbor doing more at a time. In the early days our production was low; we used to do most jobs one at a time; and, as the years went by, we do two at a time, three at a time. Other than that, the basic idea of buffing and polishing the teeth, the ends of the teeth or the comb was the same.

Q. What about the reinforcing elements?

A. The method of applying the same amount of curvature, as near as we could get it, was the same.

Q. In these different models is that true?

A. That is right, sir.

Q. I show you the Colonel device, the plaintiff's Exhibit 3. Was any change made in the method or the practice followed in rounding and polishing or buffing the cutting head on that model?

(Testimony of Bert C. Quasnovsky.)

A. Well, this is a later model. The methods of doing this particular operation of buffing and polishing the comb, as I pointed out, and the ends of the reinforcer members have improved. This was done perhaps on faster machines and more at a time, but the basic idea of the earlier models is present.

Q. I will show you Plaintiff's Exhibit No. 2, which is the Captain, Schick Captain Model. Can you identify that as such?

A. Yes; this is the Schick Captain.

Q. When was that model manufactured and sold by the Schick Company, just as nearly as you can fix the dates?

A. Oh, I would say somewheres in '38.

Q. And up to when? Is it still being manufactured and sold?

A. Well, I can't exactly place the date when this discontinued.

Q. How long would you say it discontinued?

A. Oh, I would say this was discontinued from the present [414] date about eight years or so.

The Court: That would be this year?

Mr. L. S. Lyon: Eight years back?

A. Back; that is right, sir.

The Court: Just a minute now. You mean it was manufactured about a year, commenced in '38 and quit in 1939?

The Witness: As far as I can recall, sir.

Q. (By Mr. L. S. Lyon): Was any change made in the method of rounding, buffing and polish-



(Testimony of Bert C. Quasnovsky.)

ing the cutter head on this Captain, this model, as compared with the earlier models that you have referred to?

A. The method was changed, as I stated before, as time went on, but its basic theory remained.

Q. I think you will have to be a little clearer than that. The court will want to know just what you mean the method was changed and just what you mean when you say the basic theory remained the same.

A. All right. The basic theory is that the ends of the comb, that is the points on both sides of the shearing head, had to be rounded.

Q. Yes.

A. Now, the method of doing that, of rounding those edges, has improved as years went by.

Q. In respect to being able to handle more of them at a time? [415]

A. That is right, sir.

Q. With respect to any individual shaving head has there been any difference?

A. No; there haven't, sir.

Q. What about the corners and the edges at the end of the cutting head?

A. Yes, sir.

Q. Has there been any change in the course of these different models with respect to how those were rounded off and polished?

A. Yes; the method on that has been changed.

Q. In what way?

A. Well, originally, as I stated before, in the early models we used to take the shearing head—may I take this one off?



(Testimony of Bert C. Quasnovsky.)

Mr. L. S. Lyon: Yes, sir; if you wish to.

A. As I stated before, the shearing heads were rounded on the reinforcers in a swing motion of the wrist. As time went on, we were buffing and polishing the corners of the reinforcers with a buffing and polishing wheel, eliminating the individual operation of doing each reinforcer and one cutter at a time.

Q. And when was that change made?

A. Now, I would place the date, to the best of my knowledge, some time around '35 or '36. [416]

Q. That you made this change in the technique?

A. That is right.

Q. Now, so far as the effect on an individual shaving head was concerned with respect to the polishing or breaking off of the edges at the end of this shaving head and the four corners, did this change in method make any difference?

A. No; it doesn't.

Q. So, is it your testimony that so far as the sharp edges and the corners are concerned on the Schick shaving heads, they have always been rounded and polished since you have been with the company without any change with respect to an individual shaving head, irrespective of these different models that you have referred to?

A. That is right, sir.

Q. Do you maintain any particular inspection, special inspection at the factory to determine whether these shaving heads will scratch or cut?

(Testimony of Bert C. Quasnovsky.)

A. Yes; we do.

Q. How long have you had that inspection and what is it?

A. Well, that inspection has been going on ever since I was inspecting cutters, way back in 1931. May I describe to the court the method applied?

Q. If you will?

A. I will take any cutter, will I?

Q. Well, is the method the same with all types?

A. That is right, sir.

Q. Or models?

A. That is right, sir. The method applied in 1931—and it has been so followed through to the present day—is thusly: Each cutter, when it reaches a certain operation and prior to finished stages, and likewise at the finished stages, is checked with the fingers passing over the ends to check for sharpness and see if they are nice and rounded. If in doubt—we have done this from the beginning and still do it to this date—the girls will take the shearing head and on the back of arm will try it.

Q. Is that the back or the face of the arm?

A. Well, this would be the face of the arm as I hold it here. And try it. If they get any scratch or rough effect, the cutter is sent back.

Now, each and every shearing head has already been buffed and polished, but it may in this particular case, when rejected, not have been buffed and polished enough. So it is turned back to its operators to be done over again, and only those are passed which feel as though they are not sharp to the inspectors.

(Testimony of Bert C. Quasnovsky.)

Q. How many girls are employed in this department?

A. Well, in the inspection department, final inspection department, we have some 30 to 40 girls I would say.

Q. Referring to Exhibit B, Defendants' B, will you state [418] whether or not that shaving head is in proper condition to pass your inspection, final inspection?

A. I would say yes, sir.

Q. Is it satisfactory to pass your inspection?

A. That is right, sir. I just happened to observe that there is a slight defect on this on this reinforcer. It has either been hit or it has a crack on it. But as far as any sharpness goes on the comb or the ends of the reinforcer, it will meet our standards.

The Court: Is the witness referring to Exhibit B?

Mr. L. S. Lyon: Exhibit B. That is the 1934 device which I showed to Col. Jones, your Honor.

The Witness: It has been damaged.

Q. Will you state whether or not all of the sharp edges and sharp corners on Exhibit B shaving head have been broken, as you say, or eliminated?

A. To the satisfaction of the inspection department; yes.

The Court: That would be to your satisfaction?

The Witness: That is right, sir.

The Court: In the condition they are now in?

The Witness: That is right, sir, with the exception of this particular crack that I observe at a distance that perhaps occurred in handling.

(Testimony of Bert C. Quasnovsky.)

Q. (By Mr. L. S. Lyon): Now, in the manufacture of the [419] Colonel and the Captain do you submit the shaving heads in those models to the same inspection? A. That's right, sir.

Q. And they are judged by the same standards?

A. That is right, sir.

Q. And is that true of the Schick Super model?

A. That is right. The method of inspecting for scratching has always been verified by the inspectors on the arm, on the face of the arm, as we will call it, when in doubt.

Q. And all the models that have been made and all of the shaving heads that have been produced and marketed by the Schick Company from the factory since you have been there and while you were there since 1931 have all been given the same inspection and all subjected to the same standards?

A. To the same standards.

Q. So far as scratching and cutting is concerned?

A. That is the standard procedure of that particular operation.

Mr. L. S. Lyon: Cross-examine.

#### Cross-Examination

By Mr. Harris:

Q. Mr. Quasnovsky, you have testified that the methods of rounding or finishing off the combs on the longitudinal [420] edges of the cutting head of the Schick shavers have remained the same throughout the years, is that correct?

A. The method has changed.



(Testimony of Bert C. Quasnovsky.)

Q. Now, the degree of roundness has changed, too, hasn't it?      A. To some extent.

Q. The present Colonel, which is Exhibit 3, is an illustration, Exhibit 3 being the Colonel on the desk in front of you, that has a rounder bead or comb than the early 1932 and earlier models which you have in front of you, hasn't it?

A. To some extent.

Q. And in all of these models there are slight differences in the extent of rounding of the combs or beads, is that correct?      A. That is right.

Q. In the later models, the Colonel and those illustrated by Exhibit 3 and subsequent Colonels have had rounder beads or combs than the earlier shavers; that is correct, is it not?

A. There isn't very much difference.

Q. But is that correct, my statement?

A. To some extent.

Q. And this drawing or tracing which has been introduced in evidence as Defendants' Exhibit G, has there been any change made in that drawing of any kind or description since [421] the date on which you made it?      A. Yes; there has been.

Q. What change is that?

A. The reinforcer elements, that is the two members on the ends of the shearing head, have been increased as time went on in thickness and the radii underneath the shear plate has also been thickened out.

Q. When was the last change made with respect to those two features?

A. In respect to these two features, the reinforcer element was increased in thickness, I place the date around April, 1932. The comb thickness,



(Testimony of Bert C. Quasnovsky.)

that is the ends of the teeth on each side, increased their radii, I would say, as we went along we increased it year by year. We made the initial move sometime in '33, to the best of my knowledge.

Q. So that those changes have been made over the years, is that correct?

A. Yes. Ever since this drawing was made, 1/4/32, there has been changes from time to time as far as the thickness of the reinforcer goes and as far as the radii under the comb or the edge of the teeth.

\* \* \* \* \*

Los Angeles, California

Friday, September 26, 1947, 10:00 A.M.

\* \* \* \* \*

Mr. L. S. Lyon: If your Honor please, the witness has read the transcript of his testimony over yesterday and he desires to make a correction, on page 402 of the record. I suggest it be made now, as it may be of assistance to counsel for the plaintiff in his cross-examination.

By Mr. Lyon:

Q. You were asked, at page 402 of the record about the Colonel model, to fix the date when that model was brought out, and at line 15 you answered: "Perhaps 1938." Referring to Exhibit 3. I understand you want to make some further statement on that point. Will you please do so?

A. Yes, I do. Exhibit 3 is the Colonel that came out in 1940. I was confused with the early Colonel which came out in 1938.

Q. What was the difference between those two models?

A. The early Colonel that came out in 1938 did

(Testimony of Bert C. Quasnovsky.)

not have an attachment to it, and the handle of the shaver was different. [428]

Q. You mean it did not have whisk-its?

A. No, it did not.

Q. That was the difference between the two models? A. That's right.

Mr. L. S. Lyon: That is all.

Cross-Examination

(Continued)

By Mr. Harris:

Q. I show you Defendants' Exhibit F. Will you please examine the combs on that shaver. Have those identical combs been used on all Schick shavers, to your knowledge, since the combs were first used on that shaver?

A. The combs on this particular model, Exhibit F, are different from the combs that we have today.

Q. Have the combs on any of the other shavers before you, in evidence, been changed in any way as against that Exhibit F?



(Testimony of Bert C. Quasnovsky.)

A. I have before me a B model, Exhibit H. The comb appears to be a little thicker downward.

Q. Referring back to Exhibit F, have all of the other shavers manufactured by the Schick Company had reinforcing bars, or reinforcers, indentical with the reinforcers on this model that you have in your hand?

A. The reinforcer bar identical to this ceased, to the best of my knowledge, before April of 1932.

Q. Since that time the other shavers have had different [429] types of reinforcers?

A. That is right, sir.

Q. Mr. Quasnovsky, you are not in any way connected with the sales department of Schick, Inc., are you?

A. I am not, sir.

Q. You have never worked in the sales department?

A. No.

Q. You never yourself have sold any shavers of this character?

A. I have never sold any, no. [430]

Q. Now, referring you to Plaintiff's Exhibit 2 which is before you, has there been any change in the shape and design of the cutting head in the Schick shavers from the design and shape shown by that exhibit since 1938?

A. Yes. Exhibit 2 which I have in front of me, the appearance of the comb in thickness downward resembles the shearing head of today very much alike.

(Testimony of Bert C. Quasnovsky.)

Q. But, has there been any change in design or construction of the shearing head since the date of that shaver?

A. With the possibility of one exception, the reinforcer elements may have been increased a few thousandths.

Q. Is the comb on that shaver identical with the combs on shavers that are presently manufactured by the Schick Company?

A. Very nearly alike.

Q. But not identical?

A. Well, they vary to some extent. I don't believe I could get two that would be identical. We have a degree of variance between one another.

Q. Well, within how many thousandths do they vary?

A. It is hard to determine that, because this operation is a hand operation and there is no particular control over it.

Q. So you don't know whether the cutting head, the combs on the cutting heads of any of the currently manufactured [431] shavers of Schick Company are identical with this particular one that you have in your hand, is that correct?

A. There may be some. However, the method, as I spoke of yesterday, to determine in inspection if there is sufficient roundness is still the same.

Q. But there are variations, is that correct?

A. That is right, sir.

Q. And you cannot state the extent of this variation, is that correct?

A. I cannot.



(Testimony of Bert C. Quasnovsky.)

Q. Are the cutting heads of all of these shavers that you have before you, Exhibit 2, Exhibit A, Exhibit H, Exhibit F, Exhibit I, and here is one that has no exhibit number but has a tag labeled "C" on the reverse side, September, 1934—excuse me, that has no cutting head.

Mr. L. S. Lyon: That came off, Mr. Harris.

The Witness: That is the one that had the——

Mr. L. S. Lyon: Exhibit B.

The Witness: The cracked reinforcer of yesterday, I believe. I can verify that. That is the one.

Q. (By Mr. Harris): And this cutting head that counsel has handed you fits this particular shaver, is that correct? A. It does, sir.

Q. Are the cutting heads of all of these shavers interchangeable? [432]

A. You mean in what respect?

Q. Can you take one off one shaver and put it on another?

A. May I verify a couple of models here?

Q. I also hand you Plaintiff's Exhibit 3 and ask you to include that in the group of shavers before you.

A. May I examine some of these shavers, please, just to recollect my memory?

Q. Yes, indeed.

A. The shavers I have before me will not each—in some instances the shearing heads will not function on the other models due to the fact that the spring that controls the pressure of the inside cutter, as we call it, in some cases are embedded on the

(Testimony of Bert C. Quasnovsky.)

outside cutter and in others they are held in place by a spring and pressure pins which is mounted in the handle of the shaver.

Q. Now referring you to Exhibit 3, will you point out which of the other exhibits before you have cutting heads that are interchangeable with the cutting head of Exhibit 3?

A. With Exhibit 3, Exhibit 2 will fit on that Exhibit 3. Exhibit B, the shearing head, will not function unless I remove the pressure pins of the shaver. In other words, I could make them all work, but I don't know if you are recalling a fact that the customer is going to change. Which way do you want me to interpret that? [433]

Q. I am merely asking you which ones are interchangeable with the Schick Colonel, Exhibit 3.

A. I can make them. As far as I am concerned, I can make them all interchange; that is, I will refer again. I can make Exhibits F, H, I, 3, B, and 2 interchangeable one to another for cutting.

Q. Can you tell whether they are interchangeable simply by inspecting them as they are mounted in each of the shavers there, and without reference to your knowledge of the construction of the shaver?

Mr. L. S. Lyon: If your Honor please, I object to that as confusing.

The Court: Overruled.

Mr. L. S. Lyon: I mean what is meant by "interchangeable."

(Testimony of Bert C. Quasnovsky.)

The Court: It is cross-examination, Mr. Lyon. Overruled.

A. To verify that I would have to remove the shearing heads from some of the early S models. If my memory is correct, I think there was a time when we changed over from mounting the springs in the shearing head to mounting the springs on the shaver handle and suspended on pressure pins, as we call it. Other than that I could tell by looking at the shaver if it would interchange one another.

Q. And if we scramble the cutting heads of these shavers up and mount them on the shavers to which they are [434] not intended to be applied, could you determine which heads should be mounted on each of the shavers?

A. It would be a little difficult, since my recollection—it is so long ago since I have interchanged some of these shearing heads from one to another, I may slip up on a couple. [435]

Q. So that you cannot state that these particular shearing heads that are in these shavers before you were the shearing heads that were in these shavers at the time they were originally manufactured, can you?

A. Not these particular ones, but they were identical in respect.

Q. Identical in what respect?

A. The shearing head, that is on that particular shaver.

Q. Do you mean, if I take the shearing heads out of all these shavers, and put them on the table,

(Testimony of Bert C. Quasnovsky.)

you could tell me as to each particular one as to which model that shearing head goes into? I don't want to waste the time of the court, if the witness admits he can't do it.

A. I can't do it right offhand, no.

Q. Yesterday, when you testified on direct examination, identifying these various exhibits that you have before you, you did not make any close inspection; you merely took them and glanced at them, in your hand, did you not?

A. That's right, sir.

Mr. Harris: That is all.

### Redirect Examination

By Mr. L. S. Lyon:

Q. At page 421 of the transcript, on cross-examination, you were asked whether there has been any change in the [436] drawing, Defendants' Exhibit G, and you answered, yes, there has been. Will you explain what you mean by your testimony that there has been a change in that drawing?

A. I interpreted the question that had there been any changes in the manufacture of the shearing head since that drawing was issued, and I answered yes, there was. However, after reading the testimony I interpreted the question other wise, and I wish to clarify it at this time.

Q. Will you please do so?

A. Yes. As far as the drawing itself goes, to the best of my knowledge as I completed it on January 4, 1932, there has not been any alterations, anything added or deducted, from that particular drawing.



(Testimony of Bert C. Quasnovsky.)

Q. What did you mean when you said there had been a change in the drawing, in your testimony?

A. A change following.

Q. What do you mean by that?

A. Well, I meant the drawing itself of 1932 has not been changed. The shearing heads following that particular drawing, or, I would say, after April, '32, have been changed in respect to the reinforcer elements being increased in thickness, but I do not have a drawing to verify that.

Q. How were those changes made,—by taking the particular piece of paper, Exhibit G, and making alterations on that drawing, or were those changes made in some other way? [437]

A. The way a change is usually initiated from the engineering department, someone with authority would ask the draftsman to make a drawing from perhaps a sketch presented to the draftsman, and at the completion of the drawing, and when verified by the person responsible for the drawing going out of his department, he would initial it.

Q. What you are getting at, if I understand it, to change the drawing Exhibit G, a new drawing was made?

A. A new drawing superseded that, yes.

Q. That is what you meant when you said the drawing, Exhibit G, was changed; you meant it was superseded by later drawings, is that correct?

A. That's right, sir.

Q. You have mentioned changes were made in reinforcing elements. I wish you would tell us what



(Testimony of Bert C. Quasnovsky.)

those changes were, as nearly as you can, and tell us about the dates the changes were made, and if you know, what the reason for the changes were, beginning with Exhibit F, and continuing through this series of shavers that are here in evidence before you.

A. When I started to work with Schick——

The Court: When was that?

The Witness: November 17, 1931, cutters similar to this one of Exhibit F, were in production. If you will observe—may I take this shearing head off?

Mr. L. S. Lyon: Oh, yes. [438]

The Witness: If you will observe in this particular shearing head, the reinforcer element, that is, the top of the reinforcer element is on the same plane as the top of the shearing head, or shearing plate. It was very difficult to manufacture this. We had a lot of scrap from breakage, and we found there was not enough material to round the end off to our desire. Consequently some thought was given to increasing this thickness. In the fall of '31 we tried putting a drop of solder on top of each reinforcer element, to insure the strength.

Q. What do you mean by the fall of '31?

A. I would say somewhere in December of '31. We did make a few of these cutters with a drop of solder on top of each reinforcer element. We ran into difficulty. It was a very cumbersome way of doing it. We were getting variations in them. One would be high, and the next one would be low. We used an ordinary soldering iron. But the theory

(Testimony of Bert C. Quasnovsky.)

was there. We did increase that thickness. We did make a few, and found the solder would taper off, and would make a bead on top. This still was not our desire either.

This continued along with this type of Exhibit F to about, if my memory is correct, April of 1932.

At that time thought was given as to how we could manufacture a shearing head, increase the thickness of the reinforcer elements, and make it one solid bar, and yet maintain [439] the thin part of the shearing plate.

This cutter on the shearing head from Exhibit F is ground longitudinally. In other words, it is ground in this direction, so that the reinforcer element was on the same plane. That is, the top surface of the element was on the same plane as the top surface of the shearing plate. So they decided to take the same fixture——

Mr. Harris: I think it is incompetent for this witness to say what someone else decided. It is strictly hearsay, so far as the plaintiff is concerned.

The Court: Overruled.

The Witness: I am going to lead into the fact of the exact method that it was done. Who decided that it was going to be done, I don't know. It was amongst our engineers. But the operation was, nevertheless, done.

However, instead of grinding the cutter longitudinally, like this fixture, it was turned around at right angles. The grinding wheel would start to grind transversely. In other words, the grinding

(Testimony of Bert C. Quasnovsky.)

wheel itself, I would say, was approximately 1/16th of an inch thinner than the total length of the cutter.

Therefore, when the shearing head was placed on an arbor, mounted on the underside of the shearing plate, the grinding wheel passed transversely between the two reinforcers, and we made an equalized step on both sides of the reinforcer, [440] causing the reinforcer to be elevated above the top of the shear plate. That time, if my memory is correct, it was about two to one.

Q. (By Mr. L. S. Lyon): What do you mean by two to one?

A. In other words, the thickness of the shear plate, in respect to the reinforcer, or, vice versa—I am sorry; the thickness of the reinforcer in respect to the thickness of the shear plate was approximately twice the thickness as the shear plate.

As time progressed, and we found that we had achieved our efforts of making the reinforcer elements a solid bar, and strengthening the shear cutter, as time went on, and the years went by, this reinforcer element was increased; it kept going higher and higher in respect to the sheer plate.

I cannot give you the exact dates as to the difference in thickness, when that took place, but I can say, as far as today, in manufacturing the shearing head, we still grind this particular Colonel shearing head—this happens to be on Exhibit F, an old model. I am not referring to this particular one; I am referring to our present cutter—the

(Testimony of Bert C. Quasnovsky.)

method of grinding the shearing head individually transversely to put the step to reinforce the plates, that method would apply today.

We grind one at a time, and put a step to the reinforcer, on the plate. The only difference between the cutter made in [441] 1932, where I said the reinforcer was twice as thick as the plate today, our reinforcer, I would say, is on an average of six times the thickness as the shear plate itself.

Q. Can you take these different models that you have here, and tell us by reference to each one what the relation of the thickness of the reinforcer is to the shear plate?

A. I can tell you by measuring, sir. However, for this instance, if I go from one model to the other, there will be in that particular model a variance in the reinforcer from the overlap, as we went into production. In other words, when we made a new model, we did not say this model had a particular reinforcer over the previous model. So, if I pick up two models I may find the reinforcer in the old model as the model manufactured at that time.

Q. What I am trying to find out is, what was the ratio when you brought out the Colonel, in 1938?

A. I just stated I could not give you the exact date. To the best of my knowledge, I will try to fix the date as closely as I can. In 1938 I would judge the reinforcer element to be approximately four times the thickness of the shear plate itself?

Q. How long have you been using the ratio six to one, if you know?



(Testimony of Bert C. Quasnovsky.)

A. Well, I said the ratio was on an average of six to one. I would say we have used that ratio, I know of, since [442] we started manufacturing shavers. When I came back from the Service——

The Court: When was that?

The Witness: That was in the spring of 1936. Now, prior to me going into the Service, in the fall of 1943—let me see. I would say that the average was close to six to one.

Q. (By Mr. L. S. Lyon): What effect did the increase of this thickness or elevation of the reinforcing elements above the slitted face of the cutter head have on the method, or the extent of the roundness of the end edges of the reinforcing members and the corners at the ends of the cutter head?

A. Well, as we observed in our initial way of grinding transversely, we found that increasing the reinforcer in thickness gave us more metal to make more of beaded ends, on the ends of the reinforcer element. And, as the shearing head progressed, and the reinforcer got thicker, we found we could make the bead or the corner of the reinforcer to any desired roundness that we would say, because we had plenty of material to work on. [443]

Q. Now, you have spoken of the bead on the reinforcer. I would like to have the record clear as to just what you mean by that. Will you point that out to the court on a model of the shaver?

A. Well, to a bead, I was referring to the fact that if a corner was rounded, it had the effect of a bead, something spherical.



(Testimony of Bert C. Quasnovsky.)

Q. Were you referring to the fact that these reinforcing members are beveled off; were you referring to that or to something else?

A. Well, the term "bevel" I don't know just how you want to use the term "bevel."

Q. I mean, instead of being broken off on a radius, the corner seems at some parts, at least, to be broken off on a flat angled face.

A. Well, as far as the reinforcer goes in being roundness, that method is done on a buffing wheel and the corners are broken along the longitudinal side going around down the transverse side of the shear plate in respect to the shearing heads themselves or the teeth members.

Q. Have you prepared a memorandum showing the different Schick shavers by model numbers that were manufactured from your first work with the Schick Company up until through the Captain, and showing the dates of the commencement of the manufacture of those model numbers and the number of those [444] models that were manufactured?

A. Well, I have here a record, to the best of my recollection and verified with the company records as to the dates of manufacture and the amounts manufactured. However——

Q. And showing what the model numbers were, is that correct?

A. That is right. However, this record does include shavers made way back into 1930. Of course, I can't account for any knowledge on shavers made prior to my date of starting with Schick, November 17, 1931.

(Testimony of Bert C. Quasnovsky.)

Q. Those items prior to your own experience were taken by you from what source?

A. From records of the company files.

Q. And the remaining items which were within your own knowledge and recollection, did you verify your recollection as to those items by checking with the books of the company?

A. I verified them with the company records.

Q. When did you make this record?

A. Well, this particular record, if my memory is correct, this particular record was made prior to me going into the naval service.

Q. It was not made for the purpose of this case?

A. No; indeed not.

Q. What purpose did you make it for?

A. At that particular time we made it for record purposes, and people wanted to know different models. We gathered as much information and consulted those, along with the lines of dates, and we compiled this record for the engineering department along with the engineering department.

Q. Is this the original record that you have in your hand that you made in the manner and at the time that you have stated?

A. I can't answer to if this is the original record. This is the copy of it. This particular record is from the engineering files.

Q. And did you take it from the engineering files to bring it here?

A. I took it from the engineering department record book.

(Testimony of Bert C. Quasnovsky.)

Q. And that is the regular record of the company, is it?      A. This particular record?

Q. Yes.

A. Yes; it is the company record from the company file or the company book.

Q. And do you know it to be correct to the best of your ability at the time you prepared it?

A. Yes; I do.

Mr. L. S. Lyon: We will offer the record now as Defendants' Exhibit J. [446]

\*                      \*                      \*                      \*                      \*

Mr. Harris: May I ask the witness a question or two on [447] this?

The Court: You may.

Q. (By Mr. Harris): Mr. Witness, did you personally make this record?

A. I did not construct the whole record; no.

Mr. Harris: The record is objected to as only being hearsay so far as this witness is concerned.

The Court: You do not know whether it is true or not, of your own knowledge?

The Witness: I recall the greatest part of that at the time we made it. I cannot recite, word for word.

Q. (By Mr. Harris): You do not know whether during July, 1930, there were 400 model A shavers sold, do you?

A. I can't at this time, no; but we made it at the time I recalled it.

(Testimony of Bert C. Quasnovsky.)

Q: Not "we." Did you personally make it?

A: I entered into the beginning of that at that time, right.

Mr. Harris: We submit, if the court pleases, it is entirely incompetent to prove anything. [448]

\* \* \* \* \*

The Court: Objection overruled. The document will be received for the purpose stated.

The Clerk: It will be marked Defendants' Exhibit J.

Mr. L. S. Lyon: That is all, your Honor.

The Court: Just a moment.

The Witness: Yes, sir.

The Court: Do you have some further questions?

Mr. Harris: No further questions, your Honor.

The Court: How old are you?

The Witness: 34 years old, sir.

The Court: 34 years old?

The Witness: That is right.

The Court: When were you born?

The Witness: 1913.

The Court: Where were you born?

The Witness: Stamford, Connecticut.

The Court: '34?

The Witness: That is right, sir.

The Court: How old were you in 1930? 17 years old?

The Witness: That is right, sir.

The Court: When you went with the Schick Company were you 17 years old?

The Witness: I was 18 years old, sir.

(Testimony of Bert C. Quasnovsky.)

The Court: Have you gone to school at Stamford? [450]

The Witness: I was going to the Greenwich High School at Greenwich, Connecticut.

The Court: Did you finish high school?

The Witness: That is right, sir.

The Court: Did you finish college?

The Witness: No; I didn't, sir. I entered the Schick employment about three or four months after I had graduated from high school.

The Court: Did you study engineering in high school?

The Witness: I studied a little engineering of the International Correspondence School.

The Court: Mr. Clerk, will you put Exhibit G in front of the witness? What is the date that drawing bears?

The Witness: 1-4-32.

The Court: Did you make it on that date?

The Witness: I finished it on that date, sir. I may have started two or three days before.

The Court: Did you sign it on that date?

The Witness: That is right, sir.

The Court: You were 18 then?

The Witness: That is right, sir.

The Court: When these changes are made in production like you were describing in the reinforcement of the end——

The Witness: That is right, sir.

The Court: ——is there a record kept of it, new drawings [451] made, or does someone just go



(Testimony of Bert C. Quasnovsky.)

out and tell the foreman to increase the thickness of the reinforcer?

The Witness: No. When the reinforcer was increased in thickness there was changes made to the drawing, but I have not the drawing after this. Some time in 1932 I did not make any more official drawings for the company, because I was assigned to a different job in the inspection department and it required my duties wholly in inspection.

The Court: Whenever changes are made in specifications for the razor, does not the engineering department first prepare drawings?

The Witness: That is right, sir.

The Court: Are not those drawings dated?

The Witness: That is right, sir.

The Court: And those drawings are used by the production department in making such changes as may need to be made in tools or other gadgets?

The Witness: That is right, sir.

The Court: To make the change, is that correct?

The Witness: That is right, sir.

The Court: So that every change in model and every change in design of any kind, there is a drawing record, is that correct?

The Witness: That is right; but I can't swear to the fact that our engineering department has each and every change. [452] But since some time in '32, when I stopped making official drawings for the company, I have no knowledge as to the extent of the file.

(Testimony of Bert C. Quasnovsky.)

The Court: How many cases have you testified in, patent cases?

The Witness: This is my first, sir.

The Court: Have you ever testified in court before?

The Witness: Only on my divorce case I was in court.

The Court: Only once before?

The Witness: That is right, sir. [453]

\* \* \* \* \*

Mr. L. S. Lyon: That is all. I will offer into evidence at this time as Defendants' Exhibit K, a certified copy of the file wrapper and contents, showing the proceedings in the patent office upon the application for the Letters Patent in suit.

Mr. Harris: May I inquire, if the Court please, if there are also in this file copies of all the prior art patents cited and referred to during the prosecution of the application?

Mr. L. S. Lyon: I have those, may your Honor please, in a book that I am going to offer next.

The Court: Is the file wrapper complete; is that what you are asking?

Mr. Harris: I am asking if it is complete to the extent of also having with it all the patents considered by the Patent Office in the prosecution of the application.

Mr. L. S. Lyon: They are not bound in this certified binder, Exhibit K, but they are in the next exhibit that I am going to offer.

(Testimony of Bert C. Quasnovsky.)

Mr. Harris: We have no objection to this if it is understood that counsel will also offer all of the patents cited during the prosecution of that application.

The Court: Very well. The file wrapper is received as Defendants' Exhibit K.

Mr. L. S. Lyon: As Exhibit L I offer into evidence a binder containing copies of the following items, and I will [454] designate by a sub-numeral each particular item and ask that it be so marked.

The first item in Exhibit L which I am offering is a copy of the Letters Patent in suit.

The second item——

The Court: That will be L-1.

Mr. L. S. Lyon: L-1. The second item—and I might say to your Honor there are tabs on these different items so that the court can follow them—the second item, which will be L-2, is a copy of the patent to Meyer, No. 2,066,214.

The third item is a patent to Thomas, No. 2,275,022, and I might——

The Court: The Meyer patent is L-2 then; the Thomas patent is L-3.

Mr. L. S. Lyon: And I might state that the Meyer patent and the Thomas patent follow a page in Exhibit L which is entitled "Defendant's Patents."

The next item follows a page entitled "Prior Arts Patents Not Cited in Prosecution of Patent in Suit," and the next item, the first of those patents, is the patent to Peterson, No. 1,744,280.

(Testimony of Bert C. Quasnovsky.)

The Court: It will be L-4.

Mr. L. S. Lyon: The next item is the patent to Ventimiglia, No. 1,801,889.

The Court: That will be L-5. [455]

Mr. L. S. Lyon: The next item is the patent to Friedman, No. 1,516,635.

The Court: That will be L-6.

Mr. L. S. Lyon: The next item is patent to Szabo, which is No. 1,175,023.

The Court: It will be marked L-7.

Mr. L. S. Lyon: The next item is the patent to Dean, No. 2,014,882.

The Court: It will be marked L-8.

Mr. L. S. Lyon: The next page in Exhibit L is a title page entitled "Prior Art Patents Cited by the Patent Office During Prosecution of the Patent in Suit," and the first of those items is the patent to Florman, No. 1,981,787.

The Court: It will be marked L-9.

Mr. L. S. Lyon: The next item is the patent to Brunner, No. 1,950,097.

The Court: That will be marked L-10.

Mr. L. S. Lyon: The next patent is the patent to Aaron, No. 1,970,518.

The Court: It will be marked L-11.

Mr. L. S. Lyon: The next item is the patent to Schick, No. 1,690,133.

The Court: It will be marked L-12.

Mr. L. S. Lyon: The next item is the patent to Schick, No. 1,747,031. [456]

The Court: It will be marked L-13.

(Testimony of Bert C. Quasnovsky.)

Mr. L. S. Lyon: The next item is the patent to Schick, No. 1,757,978.

The Court: That will be marked L-14.

Mr. L. S. Lyon: The next item is the Australian patent to Simkovits, No. 138,358.

The Court: That will be marked L-15.

Mr. L. S. Lyon: The next item is the British patent to Appleyard, No. 753.

The Court: That will be marked L-16.

Mr. L. S. Lyon: In connection with the patent to Simkovits——

The Court: L-15.

Mr. L. S. Lyon: L-15, I stated that it was an Australian patent, and it is so indicated in the index page. But, as a matter of fact, it is an Austrian patent, and accompanying the Austrian patent is a translation in English, your Honor.

The next item after the Appleyard patent is the patent to Knopp, No. 2,077,331.

The Court: It will be marked L-17.

Mr. L. S. Lyon: The next item is the patent to Gaiztarro, a French patent.

The Court: Is there a translation attached?

Mr. L. S. Lyon: There is no translation of the French patent, because the only parts of the French patent are the [457] drawings in the exhibit, your Honor, and we do not have a copy of the text of the French patent.

The Court: Very well. It will be marked L-18 then.



(Testimony of Bert C. Quasnovsky.)

Mr. L. S. Lyon: These are things that were cited by the Patent Office and that is the only part of the patent that the Patent Office cited and the only part we have been able to find.

The next item is the patent to Bernard, No. 765,954.

The Court: That will be L-19.

Mr. L. S. Lyon: The next item is the patent to Smith, No. 313,027.

The Court: That will be marked L-20.

Mr. L. S. Lyon: The next item is the patent to Harris, No. 2,026,630.

The Court: That will be marked L-21.

Mr. L. S. Lyon: The next and last item is the patent to—well, that is a mistake in the index. There are no more, your Honor.

The Court: L-21 is the last one, the Harris patent?

Mr. L. S. Lyon: Yes; that is all there is in the book, your Honor. We ask that that be received as Exhibit L, and the individual items be received as Exhibits L-1 to L-21, inclusive.

The Court: Is there objection?

Mr. Harris: No objection, your Honor. [458]

The Court: Very well. The documents will be received into evidence and will be so marked. [459]

\* \* \* \* \*

Mr. L. S. Lyon: If your Honor please, in examining Exhibit L I find that numbers 19, 20 and 21 are out of place. They should be up following the title: Patents not cited by the Patent Office. We

(Testimony of Bert C. Quasnovsky.)

will allow them to retain their same exhibit numbers, but we will put them in their proper place, and make a correction in the title sheet, if that is satisfactory to the court.

The Court: Is there any objection?

Mr. Harris: No objection.

The Court: Very well. You may do so.

Mr. L. S. Lyon: At this time I would like to read into evidence Paragraph 17 of the Pre-Trial Stipulation and Statement. Paragraph 17 reads—

The Court: Can't you do it like Mr. Harris did; have it copied by reference?

Mr. L. S. Lyon: I can, your Honor. I ask that it be copied and deemed read, your Honor.

(The following is a copy of Paragraph 17, commencing on page 7 of the Pre-trial Statement:)

“17.

“Both parties admit:

“(a) That Catalogue Number 27 of the McGill Metal Products Co., of Chicago, Illinois, accompanying this statement and marked Exhibit 18, is a catalogue issued and distributed to the public by the McGill Metal Product [460] Co. approximately in 1923, and similar catalogues were distributed in subsequent years; that said catalogues were distributed in subsequent years; that said catalogue may be introduced and received in evidence without further proof of authenticity, subject to the legal ob-

(Testimony of Bert C. Quasnovsky.)

jections as to its relevancy and materiality, Defendants will rely only on the punch shown in the lower half of page 13 of Exhibit 16.

“(b) The paper punch, marked Exhibit 17, is the device illustrated on the lower half of page 13 of the catalogue Exhibit 16; that thus punch was purchased many years ago in the open market; that punches similar to this punch were widely sold in 1923 and in subsequent years thereto; that said punch Exhibit 17 may be introduced and received in evidence without further proof of authenticity, subject to the legal objections as to its relevancy and materiality.”

Mr. L. S. Lyon: Paragraph 17 has two subdivisions, (a) and (b). The first refers to a catalogue which accompanies the statement, and is marked Exhibit 16. I would like to offer that catalogue in evidence.

Mr. F. W. Lyon: It is attached to the Pre-trial Statement.

Mr. L. S. Lyon: As Defendants' Exhibit M. And may it remain attached to the Pre-trial Statement, your Honor? [461]

The Court: Yes. It will be received in evidence. Is that the catalogue of the McGill Metal Products Co., attached to the Pre-trial Statement, Exhibit 16?

Mr. L. S. Lyon: Yes, your Honor.

The Clerk: M in evidence.

Mr. L. S. Lyon: Subdivision (b) of Paragraph 17 refers to a paper punch, which was marked

(Testimony of Bert C. Quasnovsky.)

Exhibit 17 to the Pre-trial Statement. I have that paper punch, and ask that it be received in evidence as Defendants' Exhibit N.

The Clerk: N.

Mr. L. S. Lyon: We had it marked once.

The Court: The punch will be received in evidence and marked Defendants' Exhibit N.

The Clerk: For the sake of the record, on April 30, 1946, it was offered and marked 17 for identification.

The Court: That is the number assigned in the Pre-trial Statement?

The Clerk: Yes, your Honor. It is now in in this case.

#### NORMAN GRAY

called as a witness by and on behalf of the defendants, being first duly sworn, testified as follows:

The Clerk: Will you state your name?

The Witness: Norman Gray. [462]

#### Direct Examination

By Mr. L. S. Lyon:

Q. Where do you reside, Mr. Gray?

A. Highridge Road, Stamford, Connecticut.

Q. What is your age?

A. I am 37 years old.

Q. What is your occupation?

A. I am chief engineer of Schick, Inc., Stamford, Connecticut.

(Testimony of Norman Gray.)

Q. How long have you been employed by Schick, Inc.?

A. I first came with the Schick Company August 27, 1934.

Q. How much of the time since 1934 have you been in the employ of the Schick Company?

A. All of that time.

Q. How long have you been chief engineer of the Schick Company?      A. Since 1938.

Q. What was your position with the Schick Company prior to that date?

A. In 1934, when I first came with the Schick Company I worked directly under Colonel Schick in the experimental laboratory. Colonel Schick died in 1937, and shortly thereafter, in 1937, I was made responsible for engineering. From 1934 to 1937 the type of work that I did in this department was of an experimental nature, designing and building models of dry shavers. [463]

Q. All this work was on electric dry shavers?

A. On electric dry shavers.

Q. As chief engineer of the company, what are your duties?

A. My duties as chief engineer are to maintain the company's competitive position in the dry shaver field; to produce and maintain a drawing system and specifications for manufacturing and inspection of Schick dry shavers; to maintain a museum. I am responsible for the engineering records, and also I must do the necessary experimental work which



(Testimony of Norman Gray.)

will finally arrive at the drawings for the Schick shaver.

Q. What contact do you have, or knowledge do you have, of the manufacturing processes employed by the Schick Company in making electric shavers?

A. In 1934, when I first came with the company, I helped to build models; in this connection I operated all the machines that are used in the metal working trade. I am familiar with piercing, blanking, forming, drawing, turning, milling, grinding, polishing and buffing, and I am familiar with the machines, and can operate the conventional machines that are used to perform those operations.

Q. Have you known and been familiar with the different commercial models that are manufactured, or have been manufactured, at the plant of the Schick Company at Stamford, Connecticut, since you have been there? [464]

A. I am familiar with the models manufactured since 1934 through direct contact with the manufacturing and engineering of them, and I am familiar with the models prior to that by examination of material in the files.

Q. What, if any, technical training or experience had you had before you went to work for the Schick Company?

A. In 1930 I graduated from the Pratt Institute of Technology in the course of industrial electrical engineering. From 1930, when I graduated, until 1934, when I first went to work for Schick, I had two jobs, one of which was with the Dalton Adding

(Testimony of Norman Gray.)

Machine Company, as draftsman and designer, and there I became familiar with small parts and mechanism.

Q. What, if any, occasion have you had to study the drawings and specifications and claims of letters patent?

A. As chief engineer we have a system in our organization whereby patents pertaining to dry shavers are forwarded to us automatically as issued, and it is one of my jobs to read those patents.

Q. Are you familiar with the reading and interpreting of patent specifications, drawings and claims?      A. I am familiar with it.

Q. Have you ever attended a trial in court of a patent infringement suit involving electric shavers?

A. Twice.

Q. What cases were those? [465]

A. One in case with the Remington Company in Hartford.

Q. Brought by the Schick Company?

A. Brought by the Schick Company against the Remington Company. And then another for the Remington Company, when suit was brought against them by Kleiman—Kleiman vs. Remington.

Q. Where was that case tried? [466]

A. That was in New York City.

\*                    \*                    \*                    \*                    \*

Q. (By Mr. L. S. Lyon): What model electric razor was in production by the Schick Company at the time you entered its employ in 1934?

A. The C model.

(Testimony of Norman Gray.)

Q. Will you examine the razors that are on the desk in front of you, and identify, if you can, a specimen of such C model, and tell us what exhibit number it is?

A. The exhibit number of the shaver which was being [469] manufactured when I came with Schick is Exhibit B.

Q. Will you examine Exhibit B, and state whether or not it is a true specimen of the Model C as it was being produced and sold by Schick at the time you entered the employ of Schick in 1934?

A. I don't think I need to examine all the details of the motor. I am sure we are concerned just about the shearing head, and to save time I will just look at it. This is representative of the production and identical with the production when I first came with Schick in 1934. [470]

\* \* \* \* \*

Q. (By Mr. L. S. Lyon): Mr. Gray, what was the next model that was brought out and manufactured and sold to the trade by the Schick Company, to your knowledge, following the Model B, which you have just referred to?

A. The model which I just referred to was Model C.

Q. Yes. And what model followed Model C?

A. Our Model S.

Q. Is there a specimen of Model S before you? If so, will you please identify it by the exhibit number?

A. Exhibit Model I is the Schick Model S 3.

(Testimony of Norman Gray.)

Q. Can you state from your recollection the approximate date when that model was put on production by the Schick Company?

A. If I may be able to refer to my notes to help my recollection, I will. [471]

Q. What notes are you going to refer to?

A. A listing of models which are in evidence.

Q. Who made this list?

A. I was instrumental in making it, with the help of Mr. Quasnovsky.

The Court: Are you referring to Defendants' Exhibit J in evidence?

Mr. L. S. Lyon: I am referring to the exhibit that was produced this morning.

A. Yes, I can.

Mr. L. S. Lyon: My question is referring to Exhibit I, according to your recollection when was that model put on sale, independent of any record, if you have a recollection?

A. I have a recollection. The latter part of 1935; September, I would say.

Q. Is Exhibit I a true and correct specimen of that model as it was put on production?

A. It is.

Q. What model followed that Exhibit S model?

A. The next model which followed that was the Colonel model, which we call L 7, put on the market the latter part of 1938.

Q. Is there a specimen of that model as it was manufactured in 1938, before you?

A. No, there isn't. [472]



(Testimony of Norman Gray.)

Q. What followed that model?

A. Following that we had two models; in the latter part of 1939 we put out a model called the Captain, and a model of the Colonel, so called, as I referred to it L 7, with a whisk-its attachment.

Q. Did this Colonel model as it was brought out in 1939 differ from the Colonel model of 1938 in any other way except the presence of whisk-its?

A. In color and case.

Q. Otherwise——

A. Otherwise it was mechanically the same.

Q. Do you find specimens of the Captain and a specimen of the 1939 Colonel with the whisk-its attachment before you?

A. I find a late model Captain, Exhibit 2.

Q. What do you mean by a late model Captain?

A. There were two variations of the Captain shaver, the difference being in the outward appearance of the inclined side of the shearing head. Otherwise, there were no differences.

Q. When was this particular specimen in production that you hold in your hand?

A. I would say the last month of 1939, or perhaps the first month of 1940.

Q. Is it a true specimen of that production?

A. It is. [473]

Q. What is the exhibit number of the device you have been examining?

A. Exhibit 2.

Q. That you have in your hand, and have just referred to?

A. Exhibit 2.



(Testimony of Norman Gray.)

Q. What is the exhibit number of the specimen of the Colonel with the whisk-its on that you have referred to?

A. There is the Colonel here. It is not the one that I had reference to before, what I called the Colonel model shaver. There is one here. It is Exhibit 3.

Q. Throughout your service with the Schick Company, have the Schick electric shavers, all models that have been produced during that time, been provided with a comb or bead along the sides of the cutting head? A. Yes, they have.

Q. Have there been any variations in shape or contour of that comb?

A. Yes, there have been changes in the shape and contour of the comb.

Q. Have those changes been purposely made?

A. Definitely they have.

Q. Were they made under your direction?

A. Yes, they were.

Q. Will you tell us what those changes were, and the [474] purpose of those changes?

A. In 1934 when I first came with Schick there was a comb on the shearing head, and as I was employed in the experimental department, one of the things which I did was to find out what function the comb on the shearing head had. [475]

This was necessary in that it was one of my duties to prepare drawings showing the contour of the comb. One of the first things that I did was to grind off the comb and shave with it and supply

(Testimony of Norman Gray.)

it to other people for shaving. Observing the results of this test brought to light the fact that there was more to the comb than just the mere guiding of hair into the slots.

I think that is obvious if we consider for a moment that the comb, if its main purpose were to guide hair into the slot, if it were to engage a whisker which was not in line with the slot, it would deflect the whisker in passing in such a manner that when the cutter action had taken place the whisker would not be cut off close to or on a level with the surface of the skin.

But, from these experiments we also learned that a loss of control to the man using the shaver was encountered when the comb was removed. Not knowing the whys and wherefores of this result, it was necessary to theorize on why this occurred; and, as engineers do, we referred to the laws of physics to see if there was not some already known principles that could be used in determining what the function of the comb was.

The shape of the comb as referred to in a Schick patent shows a very sharp projecting shoe; and taking this construction as a basis, we theorized that the comb and this projecting [476] shoe performed a function of flowing the skin into the slots. I can cite an example of that action in a plow. A plow has a sharp-pointed shoe and in going through the earth it will throw up dirt at a higher level than the surrounding terrain. The same thing is true of a boat in passing over the water. The

(Testimony of Norman Gray.)

prow of the boat will throw up a wave of water which is higher than the level of the water, and the degree to which that is thrown up is controlled by the shape of that point and the speed and the pressures that are involved.

So we likened this little tiny shoe, taking one of the individual projecting teeth, to that type of a point—a point such as a plow or the prow of a boat—and in studying the way it functioned on the skin we arrived at a theory which involves pressures occurring within the skin; and while the skin is not a fluid and it is not a solid, it acts as a fluid would if it were confined into, let us say, a rubber bag. So that the pressures involved by the action of this comb point passing over the skin can be resolved into physical forces.

I wonder if I may make a drawing. May I make a drawing, your Honor, to explain this?

The Court: You may if you feel it is necessary to explain it.

The Witness: It is difficult to describe the action of [477] these forces without a diagram.

So that we may know the direction in which the shearing head is used when these tests were made, I make a drawing of a shearing head in a shaver case, showing how the shearing head looks against the skin from an end view or looking at the open end of the shearing head.

I will call this portion I am drawing Fig. A. On this drawing I indicate with an arrow the direction in which the shaver is moved over the skin. There, your Honor.

(Testimony of Norman Gray.)

The Court: Do you desire this marked?

The Witness: I have much more to do yet.

Q. (By Mr. L. S. Lyon): Have you finished it?

A. Oh, no. Is this to be photographed? Do I make my lines heavy?

Mr. L. S. Lyon: Well, probably some copies will be made of it; so you might make your lines heavy enough so that the copies may be made.

A. On Fig. A I am drawing I circle the projecting shoe and the skin which it is contacting, and I make an enlarged drawing of what takes place at that point.

As the shearing head progresses over the surface of the skin, a wave of skin rises up in front of this point and stress occurs in the skin at this point.

Now, it is a law of physics that when two forces, working in different directions, are combined that they result in a [478] combined force which acts in a direction that can be shown by drawing a parallelogram or a rectangle in which the sides of the rectangle, if the lines are made to represent values in length, the diagonal of this rectangle or parallelogram in direction and in quantity truly represents the resultant of the two forces.

The Court: Do you mean by that, that the two sides of a right angle triangle will represent the two forces, the hypotenuse will represent the resultant force?

The Witness: Yes, sir. I will draw a diagram which I will call Fig. B. That from a point A a force projects to a point B, and from the same point



(Testimony of Norman Gray.)

A another force projects at right angles to the A-B force—and we will call that C—a resultant force is the hypotenuse which we will call A-D; and it is equal in direction and also in magnitude if the two original forces were drawn in their unit length to represent the magnitude of those two forces.

I will now return to the drawing of the pointed shearing head passing over the skin, which I will call Fig. C. In this drawing I have outlined in great enlargement what occurs at one, at the point encircled in Fig. A. The shearing head I have shown in cross section; and I show the approximate location of the shear plate portion of the shearing head, and I will so label it.

That, your Honor, is an enlarged view of what takes place within the circle in Fig. A. [479]

And now I would like to draw the diagram of forces which occur under these conditions at Point A on Fig. C.

The Court: Very well. That is assuming an ideal set of conditions?

The Witness: It is assuming that the shearing head is being applied to the face in a normal manner.

The Court: At right angles?

The Witness: At right angles. There is some pressure against the skin, and because of the motion of the shearing head there is a resulting friction and a force in the skin resisting the motion transversely of the slots.



(Testimony of Norman Gray.)

The Court: In other words, the tendency of the skin to return to its former position; isn't that it?

The Witness: Yes, sir; that is correct. So that we are dealing with two forces here: (1) The desire on the part of the skin to resist the inward pressure being applied by the user; and (2) the force resisting its passage across the face due to the sharp point on this comb.

And I will call this Fig. D.

The Court: Theoretically, the force resisting the pressure of the user against the face and the force resisting the passage of the shaving head across the face or over the face or at right angles to the face, is that it?

The Witness: Yes, sir; that is correct.

I draw in Fig. D a force, a force line A-B, representing [480] the resistance to the inward pressure of the shearing head when used in a normal manner. With this sharp comb with its coefficient of friction I draw a force line A-C longer than A-B. To arrive at what the resultant force is we draw a parallelogram and draw in the diagonal which I call A-D, and we find a direction and an amount purely relative to the original forces set up by this diagram, showing the direction and the magnitude of the resultant force.

The Court: In other words, if the force of the razor pressing against the face is X and the resistance to the passage of the razor over the face is Y, then the resultant force would be X-force plus Y-force, is that it?

(Testimony of Norman Gray.)

The Witness: That is right; the square root of the X-force plus Y squared. And I will mark it A-B; that is the force X; and A-C, the force Y.

We have taken in Fig. D the resultant of a sharp-pointed comb.

Now, I would like to take a rounded comb, fully rounded, which is at the opposite thought from the sharp point, and draw a similar line of force diagram.

The Court: You are going to make a series of diagrams applying to the rounded comb now?

The Witness: No, sir; just one.

The Court: Just one. Well, it is 12:00 o'clock. Will you do that during the noon recess?

The Witness: Certainly. [481]

\* \* \* \* \*

Q. Will you please proceed with your answer?

A. During recess I added to the sheet of paper Fig. E and Fig. F. Fig. E shows a rounded projection, a rounded type of comb, with an extreme amount of rounding on it, and Fig. F shows a theoretical force diagram which exists at the point A in Fig. E, when a contours of this type is moved over the face.

The Court: Do you mean you reduce both forces by rounding it?

The Witness: No, sir, at the point A, this diagram shows that force A-C.

The Court: Which force is that?

The Witness: That is the force which is the reaction to friction.

(Testimony of Norman Gray.)

The Court: In moving the razor over the face?

The Witness: That's right.

The Court: That is considerably lessened?

The Witness: It is considerably lessened, because this [483] no longer has any high friction. It is a greatly rounded surface.

The Court: You are referring to the face of the shaver?

The Witness: Yes, the face of the contacting portion.

The Court: So upon being rounded the friction will be decreased proportionately how much?

The Witness: I am not attempting to show any definite proportion. This is just to show the difference between a pointed and a greatly rounded device.

The Court: Have you an opinion as to the proportion?

The Witness: It would be necessary to evaluate these forces.

The Court: Do you have an opinion of approximately how much friction is lessened by the rounding of the shaving head?

The Witness: No, sir, that is a variable degree, according to the amount of rounding. I have attempted to show the two extremes, and the forces would be intermediate.

The Court: Would it be considerable or little? Would there be a considerable lessening, or only a slight lessening of the friction by rounding the head?

(Testimony of Norman Gray.)

The Witness: By rounding the head we greatly reduce the amount of friction.

The Court: Then you intended to illustrate by the difference in the length of the line A-C, Figure D, and the line A-C, Figure F, to get the lessening of friction? [484]

The Witness: Yes. This is very relative. I show the extreme conditions of a pointed projection, and a rounded projection.

The Court: The other force, I take it, the tendency of the skin to return to its normal position, that remains the same?

The Witness: Yes, and in this force diagram F I have attempted to make the sketches against the face by the user.

The Court: The line A-B?

The Witness: A-B, yes. I have attempted to make them the same. What can be observed from these two instances is that there is a great difference in the angle of the resultant force which appears between the points, the comb points.

The Court: It is a more acute angle than a right angle?

The Witness: It is extending in an acute angle from A toward C, and in the case of F, it is extending in an obtuse angle with respect to A-C.

The Court: What advantage would that give?

The Witness: The advantage of this shearing, shaving and shearing, can take place only within the cutter, the part of the head which is contacted by the moving cutter. In the case of a sharp comb,



(Testimony of Norman Gray.)

the direction of the resultant force between the slots is usually able to urge the skin into the shaving area. By shaving area I mean the portion of the shear plate which is contacted by the moving and reciprocating [485] cutter.

In the case of the rounded comb, Figure E, the greatly rounded comb, the other extreme, the resultant force urges the skin down into the comb rather than into the shear plate and the shearing carrier, because of its direction. If I put these resultant forces on a diagram it shows that this would go in a direction as indicated by A-E.

The Court: On Figure——

The Witness: On Figure E. And on Figure C, the resultant condition would be a condition like that.

The Court: You have marked the line——

The Witness: I have marked A-E.

The Court: A-E on Figure C?

The Witness: Yes.

The Court: Do you mean that using the comb of the straight edge type of comb illustrated in Figure C you are more likely to catch whiskers than with a rounded comb,—whiskers through the cutter?

The Witness: No, not essentially, but it helps to bring the skin at a shaving level, at a level with the inside cutter which, after all, is what is necessary in order to give a satisfactory shave. [486]

The Court: Is it your opinion that the straight-edge head is more likely to bring that whisker into



(Testimony of Norman Gray.)

a position where the cutter will cut it than the rounded edge?

The Witness: Yes, sir. This sheet is explanatory of the theory behind a sharpened comb, sharp-pointed comb.

Q. (By Mr. L. S. Lyon): Have you finished that sketch? A. Yes.

Q. So that we can have it identified?

A. Yes, sir.

Mr. L. S. Lyon: I will ask that this sketch which the witness has made and which he has just referred to be received into evidence as Defendants' Exhibit.

The Clerk: O.

The Court: Will it be Exhibit O?

The Clerk: Yes, sir.

Mr. L. S. Lyon: Exhibit O, to illustrate the testimony of the witness, your Honor.

The Court: It will be received into evidence.

Q. (By Mr. L. S. Lyon): This knowledge which you have illustrated on Exhibit O, can you fix the date when you worked out that knowledge or theory in your mind?

A. This was worked out in conjunction with my experimental work.

Q. As a result of these matters that you have illustrated in Exhibit O what did you determine to be the [487] desirable configuration for the comb?

A. From an efficiency point of view, the point is desirable, a pointed comb is desirable; but from a practical point of view we cannot expect to use a point such as I have illustrated in my diagram, because it would damage the skin.

(Testimony of Norman Gray.)

Q. Well, then, what is the configuration that you arrived at as the proper one to use?

A. The proper configuration for the most satisfactory shave is a rounded point and in the Schick shaver, as long as I have been there, we have always used a rounded point.

Q. Now, just what do you mean by a rounded point as distinguished from a round comb, on the one hand, or a sharp-pointed comb, on the other?

The Witness: Will you state that question again?

The Court: Please read it, Mr. Reporter.

(Question read by the reporter.)

A. I am speaking about the contour of what has been referred to as the longitudinal edges.

Q. (By Mr. L. S. Lyon): On the second sheet of paper now will you draw the contour of the comb as you determined it as a result of your experiments and studies which you have referred to? I mean the contour that you decided was desirable and which you employed in the Schick shaving head.

Mr. Harris: If the Court please, may I ask if the [488] defendants do not have some drawing, some shop drawing that would show that without making a sketch? I am just trying to facilitate the proof.

Mr. L. S. Lyon: I don't know.

Q. Have we got a shop drawing?

A. Yes, sir.

(Testimony of Norman Gray.)

Q. That shows the enlargement of the comb contour?      A. Yes, sir.

Q. If you will produce that?

(Witness producing drawing.)

Q. You have produced a drawing. What is that drawing? Wait until I show it to Mr. Harris.

The Witness: There are a couple of copies.

Mr. L. S. Lyon: Just read the question to the witness, please.

The Court: You asked him what this drawing was.

Mr. L. S. Lyon: Just what the drawing was. Explain it.

A. This is drawing SK609, which is a print from an operative chart outline, which is the only enlarged view that I have with me which would show the detail.

Q. Is this one of the production drawings or study drawings or working drawings, or what drawing? Who made this drawing and for what purpose?      A. I had this drawing made.

Q. When? [489]      A. It is dated 1944.

Q. What for?

A. For the purpose of use in a comparative machine to check the profile of our shavers.

Q. Profile of what?

A. Of the comb contour.

Q. Does this drawing show the practical contour that you determined should be used for the comb on the Schick shaver head?

A. Yes; it does show that.

(Testimony of Norman Gray.)

Q. How long has that contour been employed for the comb on the Schick shaver?

A. This exact contour has been employed since 1940.

Q. How much does this differ from the contour that was employed prior to that time and subsequent to the studies that you made and that you have explained?

A. It differs only in the lower portion of the arcs which join the top portion of the head or the flat part of the head into the inclined side wall.

Q. Does this drawing show a contour for the comb which embodies what you call the rounded point feature?      A. This does.

Q. Will you indicate that rounded point on the drawing by an arrow?      A. I will. [490]

Q. And apply a legend "rounded point" to that arrow? As I understand your testimony—I wish you would state whether or not this is correct, just by way of a short summary—you determined that the comb should have a contour in the form of a rounded point so that you could obtain the necessary attributes of a point as well as the advantages of rounding, is that correct?      A. That is correct.

Q. Will you just briefly state if you have a rounded point what is accomplished by the point being present as well as the rounding?

A. The point on the shearing head, the point on the comb of the shearing head is used, among other things, for lifting up beard and also to obtain the skin flow feature which I have described. The



(Testimony of Norman Gray.)

rounded point is to provide the necessary comfort for the point.

Mr. L. S. Lyon: The drawing which the witness has last produced is offered into evidence to illustrate the testimony of the witness, as Defendants' Exhibit P.

The Court: Received into evidence.

Q. (By Mr. L. S. Lyon): Will you take one of the specimens of shavers that are here in evidence, one of the type models of a date of 1938 or '39 or thereabout, and point out to the court, if you will, wherein the comb on that specimen embodies this contour which you have just [491] identified?

A. Will you use the glass? If you will look at the end of this shearing head marked Exhibit 2, which is the Captain shaver, and if you will look beyond the reinforcer area, you will see the comb contour. At the face-contacting portion, the part of that contour which contacts the face, you will see that it is flat across the top with the rounded point on each.

Q. Have you examined and are you familiar with the drawings of the patent in the suit?

A. Yes, sir.

Q. I call your attention to the enlargement of those drawings here on the blackboard, particularly the comb structure as shown in Figure 5. Is the contour of that comb structure as there illustrated of a proper shape to be a practical comb for shaving with an electric shaver? [492]



(Testimony of Norman Gray.)

A. Not in my opinion, no, sir; and from my experiments it would not produce the most satisfactory shaver.

Q. Wherein does it fail to show the desirable features that you have just pointed out as having determined for the Schick Co. on the razor?

A. It fails in that it does not have a rounded point at the face contacting portion of the shear plate.

Q. Am I correct, is it your testimony that the mere rounding of the comb is insufficient to produce satisfactory results if no point is maintained on the comb?

A. That is my contention.

Q. When you first undertook your work with the Schick Company, what was the construction of the reinforcing elements at the end of the comb?

A. In 1934 the construction of the reinforcer was such that it was approximately three to four times the thinness of the shear plate.

Q. Did you determine at that time the mechanical reason for that?

A. Yes, I asked myself the question as to why it should be made that way, and found that it was quite necessary, because of the thinness of the shear plate, and when I say thinness, I wonder if it is appreciated that the shear plate is about the thickness of a piece of paper?

Q. Would it be possible to disassemble one of these [493] shearing heads and show the court the shear head itself, so the court can see what you are talking about?

(Testimony of Norman Gray.)

Mr. Harris: If your Honor please, we have not objected to this line of examination, but this is the same subject matter that was gone over with Mr. Quasnovsky. It is only cumulative. The thickness of the shear plate, the thickness of the reinforcers at the ends—I don't see that it has any bearing on the case, and, as I say, it is cumulative, and wasting the time of the court.

Mr. L. S. Lyon: If your Honor please, we think it is an important item in connection with the shaving device before the date of Colonel Jones' alleged patent and invention, and under the law to test the testimony of a prior witness on this patent, we should have more than one witness.

The Court: Objection overruled. You may proceed, if you desire.

Mr. L. S. Lyon: Yes. I don't want to offer cumulative testimony, but I think it is important on the question of prior manufacture.

The Witness: What is the question?

(Question read by the reporter.)

The Court: I have seen these reinforcements, if that is what you are talking about.

Mr. L. S. Lyon: Yes.

The Court: Do you mean the entire end of the shaving [494] head?

Mr. L. S. Lyon: I want him to take the shaving head apart so you can see how thin the shear plate is itself.

The Court: He says about the thickness of a piece of paper.

(Testimony of Norman Gray.)

Mr. L. S. Lyon: Maybe that is sufficient.

Q. Will you proceed with your explanation of the mechanical purpose of increasing the thickness of the reinforcing elements at the end of the head?

A. In addition to guarding against damage, the reinforcing element is made thicker so that operations dealing with the rounding of the shearing head can be performed, if this reinforcer were extremely thin, as the shear plate is, it is not strong enough to stand up under the rounding operation.

Q. What was done with reference to the thickness of that reinforcing element from time to time, under your direction, beginning with your first work in 1934, and continuing up to the present time?

A. One of my responsibilities is to endeavor to decrease the number of rejects that occur in the manufacturing, and on this particular score we have increased the thickness of the reinforcer to a point where it is now six or seven times the thickness of the shear plate.

Q. Being six or seven times the thickness of the shear [495] plate, how far above the slitted face of the cutting head is the top face of the reinforcing member?

A. That would be five times the thickness of the shear plate, in the case of one where the ratio was six to one, and as the nominal thickness of that shear plate is 3/1000ths, that would be 15/1000ths.

Q. How long has the thickness been six times that of the shear plate?

A. I would say since 1943.

(Testimony of Norman Gray.)

Q. What was it between 1934 and 1943?

A. From about four to six.

The Court: By shear plate you are referring now——

The Witness: To the very thin portion——

The Court: The portion of the comb in between the two reinforcing members?

The Witness: That is correct.

The Court: The cutting edge, of course, is the little piece that slides inside the cutting case?

A. That is the reciprocating member, which is slotted to cut the beard.

Q. (By Mr. L. S. Lyon): When you first started to work with the Schick Company what, if anything, was being done in the manufacture of the shaving heads to eliminate sharp edges and corners?

A. An operation was in process at that time which [496] consisted of polishing and buffing the comb on the reinforcer corners itself, and a stoning operation was in addition to buffing on the corners, the end corners of the shearing head.

Q. What was the effect of those operations?

A. To break the corner which was left by the machining operation.

Q. Breaking what corner?

A. In the case of the comb, it was to break the corner which occurs where the flat top intersects with the side of the comb. That was intended to break the corners. I am speaking about a contour now, along the longitudinal edge, with respect to the ends of the shearing head. I mean the corners were



(Testimony of Norman Gray.)

broken; the corners that were caused by the machining of the end, where that plane surface intersected with the other longitudinal surface of the shearing head. Two major corners occur there, on each end, so that four corners were broken in this stoning operation. Following the stoning the shearing head was buffed all over the top, and that buffing served to round all the corners that were exposed to the buffing wheel.

Q. When you say, "corners," do you include edges also? A. I do include the edges, yes.

Q. What inspection was given this shaving head when you first started your work with the Schick Company in 1934, to determine whether or not the corners and edges had been [497] properly or sufficiently rounded off?

A. The inspection is done by girls wherein they feel the comb edge and the top of the shearing head.

Q. How about the reinforcing ends?

A. I am including that in the top of the shearing head.

Q. Was each and every shearing head so inspected before it was permitted to leave the factory?

A. To the best of my knowledge, it was.

The Court: When you say shearing head, do you mean the entire teeth, which includes the reinforcement and combs?

The Witness: Yes.

The Court: When you say shear plate, you are referring only to the comb surface of the flat head, is that right? A. Yes.



(Testimony of Norman Gray.)

Q. (By Mr. L. S. Lyon): Was the procedure that you have described, whereby these corners and edges were broken and rounded off, continued after 1934? A. It has always been that way.

Q. It has always been maintained, the same procedure?

A. Excepting for the change in the stoning. Was the question about inspection?

Q. About the actual procedure.

A. The operation?

Q. Yes. [498]

A. Stoning was eliminated and the polishing operation took its place on the ends of the reinforcers.

Q. When was that? A. I can't be sure.

Q. Approximately, according to your recollection, if you have one.

A. Between 1936 and 1938.

Q. What difference did that change make, if any?

A. No practical difference, as far as the product was concerned, but it eliminated an operation so far as manufacturing was concerned.

Q. Can you give me in round figures the number of shavers manufactured and sold by the Schick company from your factory, in which the edges and corners were broken or rounded in the manner you state, before any whisk-its attachments were applied to the razor? A. Only approximately.

Q. I just want a round figure.

A. 1,700,000.

(Testimony of Norman Gray.)

Q. Referring now to Plaintiff's Exhibits 2, 3, 4 and 5, which are before you, Exhibit 2 being the Captain model, Exhibit 3 being the Colonel model, Exhibit 4 being the Super model, and Exhibit 5 being the Service Exchange model of the Schick electric shaver, will you explain to the court, if you know, the function that is intended to be performed by the [499] hinged members which have been referred to here as whisk-its, which are on these devices?

A. They are intended to catch the beard clippings that come from the inner portion of the shearing head.

Q. Are they relied upon, or do they function to prevent the razor from scratching or cutting? If the whisk-its were not on the razor, I mean by that, will the razor head itself scratch or cut, if those whisk-its are not present?

A. No, it will not. This shearing head is manufactured to be used on this late model; also on the earlier models that do not have whisk-its. [500]

Q. Are you familiar with the specification and claims of the patent in suit? A. I am.

Q. Would the guard members 20 referred to in that patent and illustrated in the drawings of that patent serve as beard or clipping catchers?

A. No; they would not.

Q. Why not?

A. Because they have no reservoir capacity and because they have a hole in them.

(Testimony of Norman Gray.)

Q. I will show you Defendants' Exhibit A in this case and ask you if you know by whom that exhibit was manufactured?

The Witness: What was the question please?

(Question read by the reporter).

A. This was made in my model room in Stamford.

Q. Under whose direction?

A. Under my direction.

Q. From what drawing was it made?

A. Drawing of patent No. 2,228,768.

Q. Do you consider it to correctly illustrate the device shown in that drawing? A. I do.

The Court: That is the drawing of the patent in suit?

Mr. L. S. Lyon: Yes, your Honor.

Q. On what tools or fixtures was it made? [501]

A. The majority of it was made on our production tools that had been specially adjusted to produce the specifications shown by the drawing.

Q. I notice in Exhibit A what appears to be a hole moulded in the handle where the screw would ordinarily be in a Schick razor. There is no such hole shown in the drawings of the patent in suit, is there?

A. No. In that sense it is different from the drawing. It is also different in the height of the reinforcer, to save time in the making of this model.

Q. Those differences were brought about by the fact that you attempted to make the device with the ordinary production dies and fixtures employed in the manufacture of the Schick razor?

(Testimony of Norman Gray.)

A. That is correct. I was about to state that.

Q. Now coming to the question of the proportions of the guard members 20 shown in the patent drawings and the proportions employed in the corresponding parts on Exhibit A, will you state whether or not those parts of Exhibit A, are made in exact proportion, in your opinion, according to the drawing of the patent in suit?

A. These are parts 20?

Q. Yes.

A. These parts are made according to the drawings of the patent in suit. [502]

Q. Will you explain to the court how the parts 20 of the device shown in the drawings of the patent in suit act as guards?

A. The parts 20 act in two respects as guards. In detail shown in Figure 3 part 20 is a pivoted lever, pivoted at 23 and extending upward. It has a tooth at 27 which exerts a force on the extension 25 on the shearing head when it is in its upward position and held in place by a clip 28. The purpose in this instance is to hold the shearing head in place, guard against its falling out if a means such as a screw were used and the screw moved. In this connection that is a class 2 lever, the force being applied upward closer to the end of the part marked 24 and the resultant occurring at point marked 27. Pivots, as I stated before, are at 23 and, as their position is fixed in the case points 27 when closed will hold shearing head in place longitudinally, resisting the action of reciprocating cutter and also guard against



(Testimony of Norman Gray.)

it falling out if other means were used that could come loose.

The second purpose of this guard is to protect the thin shear plate which extends the full length to the top of the shearing head.

Q. Do the drawings of the patent in suit show any reinforcing members at the ends of the slitted shearing face?      A. No; they do not. [503]

Q. Is there any mentioned in the specification of the patent in suit?      A. No; there is not.

Q. Referring to the whisk-its on the accused shavers, Plaintiff's Exhibits 2, 3, 4, and 5, do those whisk-its act as guards?      A. No; they do not.

Q. Will you explain why they do not, in your opinion?

A. Guards are already on the end of the shearing head to protect it from damage and——

Q. You mean by that the reinforcing elements act as guards?

A. Yes. And if these were guards, they would guard it only to the extent that the reinforcing elements are on there. They already provide guards.

The Court: Do you understand by "guard" it can only mean to guard the instrument itself from damage?

The Witness: That is what I am referring to; yes, sir.

The Court: Does it mean to you and possibly guarding the user against injuring his face?

The Witness: No, sir.



(Testimony of Norman Gray.)

The Court: That doesn't mean anything; it would not carry that connotation to you?

The Witness: No, sir.

Q. (By Mr. L. S. Lyon): Will you refer to the wording of [504] the specification of the patent in suit and point out to the court, if you can, the sense in which the word "guard" is employed in that specification?

The Court: Oh, I won't hear that.

Mr. L. S. Lyon: All right, your Honor.

The Court: He is not going to argue this case to me. I will hear him on matters wherein he is expert, but I won't hear him argue to me what a word means, unless it is a technical word.

Mr. L. S. Lyon: Well, that is a question for your Honor to decide, whether the word is a technical word to use.

The Court: I will hear you lawyers do that, not the witness.

Mr. L. S. Lyon: Yes. If your Honor does feel that the word "guard", used in this environment, has any special technical connotation—

The Court: The witness has told me what it means to him.

Mr. L. S. Lyon: Yes.

Will you now refer to claim 1 of the patent in suit, and particularly the wording of that claim commencing in line 47, reading: "elements disposed at the ends of the channeled head, each having a longitudinally rounded surface at its extremity merging into the outer surface of the head at the ends thereof."

(Testimony of Norman Gray.)

Is that true of the accused shavers which are here in evidence as Plaintiff's Exhibits 2, 3, 4, and 5? [505]

A. No; that is not.

Q. Will you explain the basis on which you make that answer, please?

A. Between the shearing head portion, the shearing head portion of our shaver, is a reinforcing element which has rounded corners. That element is interposed between the whisk-it proper and the shearing surface or the slitted portion proper and, therefore, the two cannot merge.

Q. In what sense are you using the term "merge"?

A. I am using the term "merge" in the sense that the contour follows an unbroken line in its entirety.

Q. Does your answer that you have just given with respect to claim 1 also apply to the wording of claim 11 of the patent in suit?

A. Yes; it does.

Q. Will you refer now to claim 17 of the patent in suit, the language of that claim commencing at line 54, reading: "elements at the ends of the head each having longitudinally and transversely rounded surfaces at their outer ends merging into the face of said head and into the said rounded side surfaces." Is that true of the accused devices, Plaintiff's Exhibits 2, 3, 4, and 5?

A. No; it is not.

Q. Will you explain that answer?

A. The rounding specified in claim 17 includes rounding as mentioned in claim 11, plus rounding into the side of the bead portion of the shearing

(Testimony of Norman Gray.)

head. In the Schick shaver such as Exhibit 5 the end portion called the reinforcer is between the bead portion of our shearing head and the whisk-it therefore, it cannot merge and, therefore, the whisk-it cannot merge into the bead portion.

Q. That answer is the same as you gave in connection with claims 1 and 11. Is there any additional reason for your answer in connection with claim 17?

A. I believe I added something to my first statement.

Q. Maybe I missed it.

A. About claim 11. Claim 11 was, as I explained it, with respect to merging into the outermost, and by that I mean the part that comes in contact with the face, that flat portion.

Q. Claim 17 adds to claim 11 and claim 1 the final words "merging into the face of said head and into the said rounded side surfaces." Is the latter true of Exhibits 2, 3, 4, and 5?

A. No; it is not.

Q. Will you point that feature out to the court?

A. The rounded side surfaces of the shearing head do not extend all the way out to the end where the whisk-it contacts the head and, therefore, they cannot merge with it.

The Court: Do you say that because of the interposition of the reinforcer? [507]

The Witness: Because of the interposition of that and because of difference in level.

(Testimony of Norman Gray.)

Q. (By Mr. L. S. Lyon): And also, will you compare the contour of the whisk-its on Exhibits 2, 3, and 4 with the contour of the rounded side surfaces or combs?

A. The contour of the combs is in the form of a projection on the shearing head. The contour of the whisk-its is a smooth line extending from the top downward; it does not conform at all.

Q. In the drawings of the patent in suit does the contour of the guards 20 at the point 24 conform to the contour of the comb on the device at the point 14?

A. It conforms exactly, as I see it.

Q. And is or is that not true of the whisk-its and the combs on Exhibits 2, 3, 4, and 5?

A. That is not true of the whisk-its on 2, 3, 4 and 5.

Q. Referring to claim 18 of the patent in suit, beginning at line 62: "elements at the ends of the head parallel to the slits therein and each having longitudinally and transversely rounded surfaces at their outer ends merging into the face of said head." Is that true of Exhibits 2, 3, 4, and 5?

A. It is not, because of the difference in level of the reinforcer elements with the slitted portion of the head.

Q. Claim 19, at line 71, calls for "members at the ends of the heads having rounded surfaces at their outer ends complementing and merging into the rounded surfaces of said head and into its said face." Is that true of Exhibits 2, 3, 4, and 5?

A. No; it is not, for the same reason.



(Testimony of Norman Gray.)

Q. In what respect is it not true?

A. Well, it is not true because of the difference in level at the reinforcer with respect to the flat surface of the slitted portion of the head, the level being higher than the reinforcer, and the whisk-it being in line or practically in line with the reinforcer.

Q. Claim 20, commencing at line 6 of the patent, calls for "parts at the ends of the head complementing and merging into the rounded surfaces of said head and into its said face." Is that true of Exhibits 2, 3, 4 and 5?

A. No; that is not true. At the portion of the shearing head where the whisk-its come in contact there is no rounded surface as meant by this patent.

Q. In claim 22, beginning at line 21, it calls for "rounded guard elements hinged to the device at the opposite ends of said head." Do Exhibits 2, 3, 4 and 5 have guard elements, in your opinion?

Mr. Harris: If the court please, this is the same sort of question that Mr. Lyon objected to my asking Col. Jones [509] during his testimony, which your Honor sustained. I have not objected because I think these things go quicker if we do not make a lot of objections, and so long as your Honor——

The Court: Do you object now?

Mr. Harris: I object now, your Honor.

The Court: Sustained. [510]

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(Testimony of Norman Gray.)

Q. Do the parts 20, shown in the drawings in the patent in suit, function as flaps?

A. Yes, they are flaps.

Q. What is a flap, mechanically?

A. Mechanically a flap is a loosely hinged broad member that is free to swing.

Q. Are the whisk-its on Exhibits 2, 3, 4 and 5 flaps?      A. They are not flaps.

Q. Will you state why they are not?

A. Because they are under spring tension throughout the extent of their movement, and are restricted from acting as flaps.

Mr. L. S. Lyon: Mr. Harris has advised us, your Honor, that he is prepared to stipulate in open court that the patent to Meyer which is Exhibit L-2 in Exhibit L, was assigned by the patentee to Claude E. Burns on August 3, 1938, and in turn assigned by Claude E. Burns to the defendant Schick Dry Shaver Company, now known as Schick, Inc., on June 6, 1940.

The Court: Do you so stipulate?

Mr. Harris: Yes, I so stipulate, your Honor. That, I take it, is the patent to R. W. Meyer, No. 2,066,214, is that correct?

Mr. L. S. Lyon: That is correct.

Q. Who was Mr. Claude E. Burns, if you know?

A. Mr. Burns was sales manager of the Schick Company, [512] Schick, Inc.

Q. Between the date that Mr. Burns obtained this patent from Mr. Meyer, and the date he assigned it to the Schick Company what, if anything,

(Testimony of Norman Gray.)

did Mr. Burns do, to your knowledge, with reference to marketing whisk-its for use on the Schick razor?

A. Mr. Burns left the company, and started up a company of his own, and put an attachment, what is called a beard catcher, on the open market.

Q. Can you fix the approximate date he was selling these attachments? A. Yes.

Q. What was it?

A. The latter part of 1938, up to the latter part of 1939, to the best of my knowledge.

Q. I show you an attachment, and ask you if you can identify it. A. I can.

Q. What is it?

A. This is the attachment or beard catcher that was put out by Mr. Burns, and which was used by us in our shavers about 1939,—the latter part of 1939.

Mr. L. S. Lyon: The attachment which the witness has last identified as offered as Defendants' Exhibit Q, if your Honor please. [513]

The Court: Received in evidence, and so marked.

Q. (By Mr. L. S. Lyon): This attachment, Exhibit Q, is adapted for use on what particular model of shaver, if you can tell us, Mr. Gray?

A. It is adapted for use on all Model S shavers, and also for the Colonel Model.

Q. Were you acquainted with Mr. Cordiner while he was president of the Schick Dry Shaver Company? A. Yes.

Q. Did you know him well? A. Quite well.

(Testimony of Norman Gray.)

Q. Can you tell us approximately when he ceased his connection with the Schick Company?

A. Yes, '42.

Q. 1942? A. Yes.

Q. Since that time has he had any connection at all with the Schick Company?

A. I don't really know.

Q. Will you refer in the Exhibit L—have you a copy of Exhibit L?

A. I don't remember what Exhibit L is—yes, I have that in front of me.

Q. Take Exhibit L-3, the patent to Thomas. Did you know the W. A. Thomas who is named as the patentee in that [514] patent? A. I do.

Q. Who was he?

A. He was chief engineer for Schick, Inc., during a period of time that I was out sick.

Q. I notice that this patent was applied for on September 13, 1940, and prior to its issue was assigned to Schick, Incorporated. Do you know what device this patent was taken out on?

A. This patent was taken out on a device which we call our Colonel shaver; the whisk-its constructed for the Colonel shaver, as shown in Exhibit 3.

Q. Do you know whether or not the design which is shown in this patent to Mr. Thomas was worked out before or after Mr. Burns had put on the market the whisk-its attachment as shown in the Exhibit 2?

A. This was worked out after, as an improved model.

(Testimony of Norman Gray.)

Q. In other words, the order of events was, that Mr. Burns acquired this Meyer patent, and put out these attachments, and then the Schick Company acquired the Meyer patent from Mr. Burns, and Mr. Thomas produced this design whereby the whisk-its could be incorporated as a permanent part of the Schick razor? A. That would be right.

The Court: Is Reginald Hicks, who is signed as attorney [515] for Thomas, in Exhibit L-3, the same Reginald Hicks who signed some of the correspondence in evidence?

Mr. L. S. Lyon: Yes, your Honor. He is a patent lawyer in New York.

The Court: He was patent counsel for the Schick Company?

Q. (By Mr. L. S. Lyon): Is that right?

The Witness: Yes, he is patent counsel for the Schick Company.

The Court: Over what period of time, that you know about?

A. From 1937, I believe, when Schick had its first case.

The Court: Since 1937?

A. Yes. He has been with the company from a patent point of view since then.

The Court: He still is?

A. Yes. He does not work full time. He has his own office.

Q. (By Mr. L. S. Lyon): He is a member of a patent firm in New York City, is he not?

A. Yes, that's right.



(Testimony of Norman Gray.)

Q. Will you refer now to Exhibit N, the paper punch that I produced this morning? Will you explain to the court what this device is used for, and whether or not it has a catcher for the cuttings or punches, and how that catcher is constructed and operated? [516]

Mr. Harris: If the Court please, that is objected to as incompetent, irrelevant and immaterial, and also upon the ground that it is leading and suggestive. The paper punch is an obvious article which requires, in my opinion, no expert testimony of any kind.

The Court: Sustained.

Mr. L. S. Lyon: May he answer for the purpose of the record, if your Honor please?

The Court: Yes, you may take any excluded evidence to make a record. The court has ruled. [517]

\* \* \* \* \*

Q. (By Mr. L. S. Lyon): Will you explain the purpose of that device; how it is used, and what the catcher is, and how it is constructed and used?

A. This is a pair of cross levers, at the end of which are a punch member, and a die member, adapted so they can cooperate, and cause shearing. This punches the hole, and is commonly used for paper, fabric, leather. Underneath the die portion is a hinged member, curved, rounded, and, as I understand these articles, a spring is missing from it. We see a cup. This cup is in a position to catch the clippings caused by the punch and die.



(Testimony of Norman Gray.)

Q. Will you compare that cup which you have just called attention to, in the design and function of the whisk-its on Exhibits 2, 3, 4 and 5?

A. In design and function——

Mr. Harris: I interpose the same objection, if the Court please.

The Court: Same ruling. Sustained. The record may be made.

Mr. L. S. Lyon: For the record only. [518]

A. In design and function this hinged member is exactly the same. In function it is exactly the same. In design it is almost exactly the same as the whisk-its used on the Schick shaver.

The Court: That would be the design and function are the same as the device shown in the Meyer patent, the Thomas patent, and the Jones patent?

The Witness: Yes.

Q. (By Mr. L. S. Lyon): In the detail of the manner of mounting, and so forth, is there any difference between the device as shown in the Meyer patent, and the Thomas patent, and this Exhibit N?

A. In the Meyer patent the receptacle for catching slippings is hinged to the shearing head proper. In the Thomas patent the hinge is a floating member, with a spring, which is attached to the handle. In the punch, this is attached to an extension of the handle.

Q. Have you examined the Meyer and Thomas patents? A. I have.

Q. Will you state whether or not those patents are directed to this distinction that you have just pointed out? A. They are.

(Testimony of Norman Gray.)

Q. Will you turn now in Exhibit L to the patent to Bernard, which is Exhibit L-19. Does that patent show a punch having a retainer for the chips or punchings, somewhat [519] similar to that of Exhibit N?

A. Yes, it does. In Figure 1, this retainer or receptacle is marked L. Its pivot is at M. In Fig. 2 it shows a spring member which cooperates with the end of L to keep it in either an open or closed position. Also at P in Fig. 2 it has a light projection, which is for the purpose of opening the retainer.

Q. Will you turn now to the next exhibit in Exhibit L, to wit, the patent to Smith No. 313,027, Exhibit L-20. What is the device shown in Figure 5 of that patent, in the upper left-hand corner on the first page of the drawing?

A. The device shown in Fig. 5 is an attachable cup. It is intended for use on a similar pair of cross arms with the punch and die, as per usual with the punch, and it is for the purpose of catching clippings.

Q. Will you turn now to Exhibit L-21 in Exhibit L, the patent to Harris. What is that device for?

A. This device is a shearing device,—a razor or shaver.

Q. Is there any mention of its use as a razor in the specification?           A. Yes, there is.

Q. Where?

A. On page 2, column 1, line 4.

(Testimony of Norman Gray.)

“in the case of a razor, the combs also permit the skin to [520] cup upwardly there between so that a close shave is afforded.”

Q. Referring to Figure 1 of the drawings, what is the part marked 69?

A. The part marked 69 is a rounded member to prevent the escape of hair from the ends,—the clippings from the ends of the shearing device.

Q. Does that act as a reservoir for the clippings?

A. As shown in Fig. 3, in cross section, part 69 is hollow, and therefore can act as a receptacle for the clippings.

Q. Will you turn in Exhibit L to Exhibit L-4, the patent to Peterson, No. 1,744,280. Do you find in this patent to Peterson any structure stated to be for the purpose of preventing scratching or cutting by a razor?

A. I do.

Q. What structure is illustrated in this patent for that purpose?

A. In Figure 3, numeral 4, which is a semi-cupped shaped member of this razor, and by outer member I mean a skin contacting part, and this provides rounded ends and corners that extend flush with the outer side faces of the device, and when I say side faces I mean the rake-like points referred to in Fig. 1, numeral 8.

The Court: The guard member referred to in that patent is a guard which protects the user against cutting himself, is that right? [521]

A. Against the sharp corner of the end of the blade.

(Testimony of Norman Gray.)

The Court: It is a guard to protect the skin and face?

The Witness: Yes, sir.

Q. (By Mr. L. S. Lyon): Will you turn next to Patent No. 1,801,889, Exhibit L-5. What is this device for?

A. This device is for shearing hair, and especially within the nose, or the parts of the body where it can be used.

Q. Does this patent teach and show a structure whereby all sharp edges and corners are rounded off to prevent scratching and cutting?

A. This does. A, which is the outer portion of this shaving device, is closed at its end 5, and there is rounded.

Q. Turn next to Exhibit L-6, the patent to Friedman. What is this device?

A. This is a hair clipping device with movable gauge plates. This gauge plate in Fig. 1 is marked 1. At either end of this gauge plate is an enlarged portion shown in Fig. 6. This shows a rounding of the portions of this device, which would be apt to come in contact with the skin, from the side view, and from the bottom view this rounding is shown in Fig. 1 at the two uppermost corners of the gauge plate.

Q. At line 69, page 1 of the specification in this patent, the statement appears:

“The outer or bearing surface of the base 1 is [522] rounded at 4.”



(Testimony of Norman Gray.)

Will you explain what purpose or function can be obtained by the rounding at 4 there referred to?

A. The function of the rounding at 4 would be to make this device slide over the skin more readily.

Q. Turn next to patent No. 1,175,023, to Szabo, Exhibit L-7. What kind of a device is illustrated in this patent?

A. This is a hair cutting device, and it employs for a cutting agent a blade, but it has a guard member shown in cross section in Fig. 4. It shows a transversely slitted member at each end of which are covered ends with rounded corners, which round into the line of the comb.

Q. What would be the effect of that rounding?

A. That is to prevent damage or injury to the skin, and provide more comfort in its use.

Q. Will you turn now to the patent to Dean, Exhibit L-8? Will you explain what is shown in Fig. 5 of the drawings of that patent?

A. In Fig. 5 is shown an attachment adapted to be put on or attached to a conventional hair clipper. It has two arms, marked 17, which extend out and over the ends of the clipper plate, which would come in contact with the neck of this device, if it were used on the neck, or any portion that is to be sheared. The purpose of those arms and their extensions which are shown at 18 to be well rounded, are to protect [523] the corners of the shear plate from injuring the skin, and also, as the patent states, to protect the very corners themselves from damage.



(Testimony of Norman Gray.)

Q. Beginning at line 10, the first column of the patent specification, the statement is made:

“An object of the invention is to provide a hair clipper with a peculiarly efficient and advantageous guard, more or less readily attachable to and detachable from the clipper, and of particular advantage and utility in protecting the skin against scratching and/or abrasion when the clipper combined with the guard is manipulated and held by either hand of the user in removing hair from depressed portions of hollows of the human body, such as from the arm-pits, as well as elsewhere.” [524]

\* \* \* \* \*

Cross-Examination

By Mr. Harris:

Q. Mr. Gray, are you an officer or director of the defendant, Schick, Incorporated?

A. No, sir.

Q. Are you a stockholder of that corporation?

A. No, sir.

Q. You have referred to Defendants' Exhibit E, which is the Remington shaver. Can you testify as to how long that particular model of shaver has been sold by Remington?

A. This particular model has been sold short of a year, but the whisk-it mechanism on the side has been incorporated since, I believe, about 1941 or '42.

Q. The prior Remington shavers which started in 1941 or 1942 using a whisk-it mechanism, those

(Testimony of Norman Gray.)

were not identical with the shaver we have here, were they?

A. No; they are not. They are metal. [528]

Q. They are a different shape shaving head, are they not?

A. No, no. There are two types of shearing heads used here. One is a rounded one and one is a flat top. The rounded one is the same.

Q. But they did not use the flat top in 1941 or '42 models, did they? A. No.

Q. My understanding of your dissertation this morning as to the sharpness or roundness of the comb on a dry shaver, the sum and substance of it is that you give it a certain amount of rounding and it is a compromise between the maximum so far as shaving efficiency is concerned, which requires a sharp pointed bead or comb, and the maximum degree of comfort to the user, is that correct?

A. It is an optimum condition between rounding and pointed.

Q. And that rounding to provide comfort to the user is a desirable feature in the shaver, is it not?

A. It is a necessary feature in the shaver.

Q. The more comfort you can provide in the shaver, the better construction you have, is that correct, so long as it operates with a reasonable degree of efficiency?

The Court: Those are matters of common knowledge, aren't they, Mr. Harris, that I can take judicial notice of? [529]

Mr. Harris: Thank you, your Honor.

(Testimony of Norman Gray.)

Q. As to the dry shaver shown in the patent in suit, the drawing of which hangs beside you, you have stated that that would not be the most satisfactory type of dry shaver, as I understand your testimony. That shaver would work, however, would it not, to perform its intended function?

A. This shaver would work to shear hair, but not to shave. There is a big difference between shearing hair and shaving.

Q. It is a matter of degree?

A. No, sir; it is not a matter of degree.

Q. It is a matter of how closely you are clipping the hair, is that correct?

A. Yes; that is correct.

Q. With these whisk-its that are attached to Exhibits 2, 3, 4, and 5 before you has the use of those whisk-its by the Schick Company reduced the number of shaving heads that have been returned to be repaired?

A. I am sorry, but I wouldn't know.

Q. With regard to these whisk-its that are attached to the Schick shavers as exemplified by Plaintiff's Exhibits 2, 3, 4, and 5 that are before you is it necessary to perform only the beard-clipping function that those whisk-its be rounded transversely and longitudinally?

The Witness: Would you state that question again, please? [530]

The Court: Please read it, Mr. Reporter.

(Question read by the reporter.)

A. These don't perform any beard-clipping function.

(Testimony of Norman Gray.)

Q. (By Mr. Harris): Excuse me. A beard-catching function; that is what I mean, a beard-clipping catching function. They function to catch the beard clippings, do they not? A. Yes.

Q. To perform that function is it essential that these whisk-its be rounded transversely and also longitudinally?

A. No; that is not necessary, but that is a very desirable feature from the standpoint of manufacture of that cup. That is a drawn metal cup.

Q. It is not essential for that function that the beard-clipping catching function of these whisk-its be shaped the way they are, is it?

A. As long as they reasonably well conform to the end, so as to prevent beard clippings from falling out, they will perform the function of catching beard clippings.

Q. And that would be true even though the edges of the cutting head, the edges of the ends of the cutting head, were left bare and open to the face of the user; that is true, is it not?

The Witness: I think I am a little confused by that question. Would you please read that question?

The Court: Please read it, Mr. Reporter.

(Question read by the reporter.)

A. No; that is not necessarily true at all.

Q. (By Mr. Harris): So long as the whisk-its cover the hole in the reciprocal cutter that is inside the cutting head, to allow the beard clippings to move from that opening down into the whisk-it



(Testimony of Norman Gray.)

receptacle, then you have performed the catching function that you are referring to, haven't you?

A. Yes, sir.

Q. So that it is not necessary that these whisk-its come up to the top of the reinforcing members at the ends of the cutting head, is it?

A. Well, the inner cutter moves back and forth. It is not always in contact with the beard catcher; and if it were made to the same proportion, to the same size, to the same contour as the inner moving cutter, when the inner cutter backed away there would be space for the beard clippings to drop out.

Q. But so long as the conformation of the whisk-it is slightly larger than the channeled recess in the cutting head, then it will function to collect beard clippings; that is true, is it not?

A. Yes, sir.

Q. And it is not necessary at all, in any way, that [532] these surfaces on these whisk-its, both the transverse surface and the longitudinal surface, to move, is it?      A. No.

Q. That is, it is not necessary, to perform the clipping catching function?

A. That is correct.

Q. And yet all of the dry shavers that the Schick Company has manufactured with whisk-its on them have had whisk-its which are so rounded both longitudinally and transversely; that is a fact, is it not?

A. That is a fact; and it must be appreciated that that is the easiest way to produce that part.



(Testimony of Norman Gray.)

Q. With regard to this model which is Defendants' Exhibit A—you have it before you, do you?

A. I do.

Q. How did you determine the thickness of the guards that are on that model?

A. There is nothing in the specification to determine that so we used the drawing and scaled the drawing, and it will be noticed in the drawing that there is a discrepancy in the width, that is, the drawing is not exact in the thickness of the two arms, 24 on the left in Figure 3 being thinner at its uppermost portion than the part—20, I should have said, than the same element on the right-hand side in Figure 3. And, undecided as to which one to take, we [533] picked just at random one of them and using the drawings as a means, that is to say, taking the height of the drawing in Fig. 3, the height of the shearing head marked 13, and establishing a ratio between that and the height of the Schick shearing heads, of which this is supposed to be an improvement, we established a ratio that was followed out on all the parts.

Q. Which one of these guards in Figure 3 did you select for your measurement to make this model, the left-hand one?

A. I believe the left-hand one was selected.

Q. Because it was the thinner one; that is correct, is it not?

A. No; not because of that. Because of the indefiniteness of the line on the right-hand one. We did not know just how to interpret that heavy line.

(Testimony of Norman Gray.)

Q. And you did not take into account the length of the cutting head as shown in Figure 3 of the patent, that length with relation to the thickness of either of these guards, did you?

A. We took the height of the shearing head as the ratio.

Q. That would be from the lead-line 11 up to the top of the head shown in Figure 3?

A. That is right. You must appreciate that in Fig. 3 part of the drawing has been removed in order to get the [534] detail of the guard elements on the paper. It would be much longer if it was in proportion to the rest of the drawing.

Q. Mr. Gray, would it be proper in making a model of this kind to take the length of the cutting head, that length and the thickness of the guard, take those measurements and take the length of the cutting head that you have in this shaver and make your guard proportionately thick?

A. That might be one way of doing it.

The Court: By "this shaver" you refer to Defendants' A?

Mr. Harris: That is correct, your Honor.

Q. How did you arrive at the width of the holes in the model Defendants' Exhibit A, the holes in the guards? A. In the same manner.

Q. In the same manner, that is proportionate relative to the height of the cutting head, is that right?

A. Yes. But we were concerned about one thing, in that they looked an awful lot bigger than

(Testimony of Norman Gray.)

what the drawings showed, and that is probably due to the buffing which was performed to round off the corners and the edges of the guard; and that buffing, of course, ran into the outline of the hole. I was so concerned about that that I had a check made, and I find that we are off in width a matter of some ten-thousandths, which was a very small percentage of [535] the entire width.

Q. This model, Exhibit A, has springs in it, has it not, that urge the cutting head out when the guards are released? A. Yes; this has.

Q. Do you find any disclosure of that in the Jones patent in suit?

A. No; that does not appear here.

Q. Was there any shaver made by your company on December 10, 1935, which had springs in it of that character? A. Yes.

Q. There was? A. Yes, sir.

Q. Which model was that?

A. That is a S-3 model.

Q. As to those S model shavers, how many S models were made?

A. By number, six. These were all motor changes to a large degree. I mean the element which called for a renumbering of the model was a change internally in the motor. And we would have to add to that the Captain because it was produced in the same case.

Q. And there were shavers on the market in 1935 manufactured by the Schick Company which did not have such springs in them; is that true?

(Testimony of Norman Gray.)

A. Yes. In 1935 our means of applying pressure between [536] the inner and the outer cutter was changed from internal springs, internal in the shearing head, to external springs mounted in the shaver handle.

Q. You have heard Col. Jones' testimony here in court?           A. Yes.

Q. Was his testimony on that point correct as to the shaver that he had in 1935? Could that have been a Schick shaver?

A. If Col. Jones testified that the shearing head had internal springs, he could well have bought that in the market in 1935.

Q. Another point on this model, Defendants' A, I note that the end guards on this model will pivot down to approximately a 90 degree angle from the axis of the shaver, is that correct?

A. That is correct.

Q. And is that true in the shavers shown in the Jones patent?

A. No. The model maker came to me about that and he pointed out that it would hinge down to about 60 degrees or so. He also pointed out that when he read the specifications it says that it is supposed to swing down to 90 degrees. And he asked me which way to make it. I told him to abide by the specifications.

Q. So that the model doesn't in that respect conform [537] to the drawing?

A. Not to the drawing, but to the specifications.



(Testimony of Norman Gray.)

Q. Mr. Gray, is there any advantage in the Schick shavers in having the whisk-its hinged to the shaver, to the body of the shaver as is illustrated by these Exhibits 3, 4, and 5?

A. As compared to what?

Q. As compared to having them permanently attached to the shaver in a rigid position?

A. Well, yes; because if they were attached in a rigid position, to empty them would require removal of the shearing head. We consider that a fragile article that should be handled as little as possible. Therefore the hinged ones would be an advantage.

Q. So that that is an advantage of the whisk-its one the Schick shavers?

A. As compared to one that was permanently fastened, yes.

Q. Referring again to this Defendants' Exhibit A, the model, is the bottom of the hole in either end guard above the bottom of the channel in the cutter? A. Yes.

Q. So that when the end guards are closed, the hole being somewhat smaller than the hole—that is, the hole in the end guard, the hole 35, being somewhat smaller than [538] the hole 19 in the reciprocal cutter, there is a ledge above the bottom of that opening through the cutter, is that correct?

A. That is correct.

Q. And that ledge will in effect retain some beard clippings, will it not?

A. It will retain some, but not all.



(Testimony of Norman Gray.)

Q. So that it is a matter of degree as to how much beard clippings you retain in this device as compared with the Schick Colonel, is it not?

A. No; I couldn't say that. The amount of chamber provided by this ledge which you speak about gets filled up. If you continue your shaving, and providing the whiskers do not fall out of the holes, you saturate the chamber's capacity, so to speak, and from then on all the beard clippings would fall out of that chamber.

Q. Referring to Exhibit 4, which is the Schick Super, does the cutter in that shaver reciprocate at a faster rate than the cutter in the Schick Colonel, Exhibit 3?

A. Yes.

Q. And what is the difference?

A. When I answer your question as to rate, the revolutions of the motor as found in the Colonel and the Super are the same. However, the stroke of the Super is greater so that the surface speed of the Super would be [539] higher than that of the Colonel.

Q. Does that increase the rapidity of a shave by a user?

The Court: What is the materiality of that, Mr. Harris?

Mr. Harris: I think it will appear in a second, if the Court please.

The Court: Very well.

A. Does the fact that the——

The Court: Can he shave faster with a Super than he can with a Colonel? Is that what you are asking?

(Testimony of Norman Gray.)

Mr. Harris: That is correct, your Honor.

A. Some people can and some people can't.

Q. As to this Meyer patent, which is Defendants' L-2, to your knowledge has the Schick Company ever manufactured or sold a shaver as shown in that Meyer patent?

A. This shows a whisk-it mechanism that is hinged to the shearing head, and we have never made one that way.

Q. You never put the Meyer patent number on any shaver that you have ever sold, have you?

A. We don't put all of our patent numbers on all——

The Court: The question is: Did you ever put the Meyer patent number on any shaver?

The Witness: No, sir; no, sir.

Q. (By Mr. Harris): In the shavers that you have made and sold commercially you have always mounted the whisk-its [540] on the handle of the shaver; that is true, is it not?

A. Yes. The hinging mechanism, which is a floating spring, is fastened to the housing, except in the case of the Captain. That is an attachment and as such is not a permanent part of the shaver.

Q. However, even a Captain the attachment is carried by the handle of the shaver; it is not carried by the cutting head, is it?

A. No; it is not.

Mr. Harris: That is all, if the Court please.

The Court: When did you first see the Jones patent, the patent in suit?

(Testimony of Norman Gray.)

The Witness: I first saw the Jones patent when I first heard we were in litigation, at least that is my first recollection of seeing the Jones patent.

The Court: And about when was that?

The Witness: I would guess about a year or so ago. That was when I first heard. It is entirely possible——

The Court: You never heard of it before?

The Witness: No, sir. I had heard of Col. Jones in talk amongst some of the top management.

The Court: Did anyone ever consult you, Mr. Gray, as chief engineer of the company, before Mr. Merrick started out to San Diego to see Col. Jones to offer him \$50,000 for his patent? [541]

The Witness: No, sir.

The Court: You never heard of it prior to that time?

The Witness: No, sir.

The Court: Did you hear of it after the return of the president of the company and Mr. Merrick?

The Witness: No, sir.

The Court: After they had negotiated with Mr. Jones?

The Witness: I did not. It is entirely possible, your Honor, that I had seen this patent when it issued, because I make it a practice to read all patents when they come out.

The Court: In January or February or March of 1941, or April had you ever seen this patent?

The Witness: Your Honor, during—of 1941?

The Court: Yes.

(Testimony of Norman Gray.)

The Witness: No, sir.

The Court: Were you with the company at that time?

The Witness: Yes, sir.

The Court: Were you chief engineer at that time?

The Witness: No, sir.

The Court: What was your position then?

The Witness: I was shearing head design. As I explained——

The Court: I understood you this morning to say you had been chief engineer since 1938. I may have misunderstood you.

The Witness: With the exception of a period of time when I was out sick, your Honor. [542]

The Court: Was that during 1941?

The Witness: I was out sick from December of 1939 until about the middle of 1940; and when I came back to work I was on limited work, and during that time this Mr. Thomas to whom this Schick whisk-it patent was issued, was chief engineer.

The Court: Were you in the same office or department with him?

The Witness: I was in the same department; yes, sir.

The Court: During January, February and March of 1941 did you hear anything about the company having a license or trying to procure this Jones patent?

The Witness: I did not, sir.

The Court: You never heard of it?



(Testimony of Norman Gray.)

The Witness: No, sir.

\* \* \* \* \*

The Court: According to my notes you have. If there are further exhibits that either sides wishes to offer or any further evidence either side wishes to offer, you may [543] do so upon the date to which I will continue this case.

The clerk directs my attention to the fact he believes this attachment, Exhibit Q, this whisk-it attachment, Exhibit Q, was removed from one of the exhibits already in evidence.

Mr. L. S. Lyon: Yes, sir. It belongs on the Captain. It fits on the Captain and I took it off and gave it a separate number so we would know just what part.

Mr. F. W. Lyon: Plaintiff's Exhibit 2.

The Court: Plaintiff's Exhibit 2. Is it stipulated, gentlemen, that Exhibit Q was removed from Exhibit 2?

Mr. L. S. Lyon: Yes, sir.

Mr. Harris: That is agreeable, your Honor, so long as the record shows.

The Witness: Shall I put it back on again?

Mr. L. S. Lyon: We can attach it if your Honor prefers.

The Court: No. You may put it as a separate item. It is marked as a separate item. [544]

The Court: When I refer to further evidence, I am referring to any further evidence that you may have overlooked with respect to the first cause of action. I understand, so far as the validity of



(Testimony of Norman Gray.)

the patent and infringement are concerned, both sides tentatively rest, is that correct?

Mr. Harris: That is correct, your Honor.

Mr. L. S. Lyon: Yes, that is correct.

The Court: As to the second cause of action, so far as any evidence is concerned, both sides have offered all they have to offer?

Mr. Harris: That is correct, your Honor.

The Court: So far as the question of infringement is concerned, I am inclined to find—I am not making any finding now; I want to hear argument on it, but I am inclined to find that the defendants have wilfully and intentionally appropriated the improvements claimed by plaintiff here.

As far as the agreement is concerned, I will find that the defendants, for the purpose and with the intention of deceiving the plaintiff into disclosing his patent applications, did make him an offer to procure an exclusive license on the patent in suit. That he submitted the other patent applications referred to in the draft attached as part of Exhibit G, and the president of the company, and general counsel admit they agreed to pay him for the exclusive license for the use of those patents, \$30,000.00 advance royalties and 1½ per cent [545] royalty on the manufacturers' sales price on all razors sold up to \$250,000.00, and 1 per cent thereafter during the life of the patent, and that the plaintiff believed and relied upon those representations, and so believing and so relying, at the request of the defendant Schick, Inc., did send them his drawings and

(Testimony of Norman Gray.)

copies of his patent applications Nos. 314287 and 316,154, thereby changing his position to his damage.

The plaintiff is given leave to amend his complaint on the second cause of action to conform to the proof, in that respect, if so advised. I want to continue the case to a date certain to hear further arguments on the statute of fraud question as well as the question of validity and infringement. If I hold that the plaintiff is entitled to recover on each cause of action, of course, it will be necessary for him to elect, prior to judgment, on which cause of action he will stand. [546]

\* \* \* \* \*

Los Angeles, California

Wednesday, October 15, 1947, 10:00 A.M.

\* \* \* \* \*

Mr. Harris: Thank you, your Honor. First, though, before that, I have served this morning copies of a motion to amend the pleadings in the case in accordance with your Honor's suggestions to conform to the proofs, and copies of this motion have been served on counsel and I hand the original and one copy to the clerk for the Court.

Mr. Macdonald: Your Honor, may it be stipulated that the allegations of this amendment may be deemed to be denied?

Mr. Harris: Yes, certainly.

The Court: Yes; so ordered.

Mr. Harris: Next, if the Court please, we have prepared——

The Court: The motion to so amend is granted and the allegations of the amendments are deemed denied by both defendants. [554]

\* \* \* \* \*

Mr. Macdonald: May I interrupt counsel a moment? There is one oversight, your Honor, in the record. We would like to introduce into evidence a telegram from the plaintiff to defendant Schick, Inc., dated February 20—no; that is wrong—the telegram from the plaintiff to the defendant Schick, Inc., dated March 9, 1941, subject to the same rulings and reservations as other documents were offered on that issue. [556]

Mr. Harris: May I ask, if the Court please, whether that is the document Exhibit 23 attached to the pre-trial statement?

Mr. Macdonald: Excuse me just a moment. No, your Honor; that is not the one. Yes; I guess it is, Exhibit 23.

The Court: Exhibit 23.

Mr. Macdonald: To the pre-trial statement, not in the evidence.

\* \* \* \* \*

The Court: Very well; the defendants' case is re-opened for the purpose of offering night message from Jones to Schick Dry Shaver, Inc., dated March 9, 1941, which will now be received into evidence and marked Defendants'—what is defendants' next exhibit?

The Clerk: That will be R, your Honor.

The Court: Defendants' Exhibit R? [557]

\* \* \* \* \*

Mr. Harris: Next, if the court please, there is this question raised by paragraph V of the defendants' points and authorities submitted on this hearing. The cases in support of that point, cited by the defendants, apparently go to this question as to whether or not the licensee may raise the question of infringement or validity on an action brought by the patent owner against the licensee for royalties. And we do not think that this is a proper time or place to interject that issue or defense into this case. We are not sure that the defendant is doing that, but if they are, we do not think it is proper. And we think that that matter should be cleared up now before we have argument, as to whether the defendant is raising that defense of lack of infringement and invalidity as to the contract cause of action, cause of action No. 2, in the complaint.

I would like a statement from counsel as to what the purpose of this is at this time, because that will in part modify my argument, depending upon the position counsel takes. [558]

The Court: I take it it could only go to the second cause of action.

Mr. Macdonald: That is correct, your Honor, to the second cause of action.

Mr. Harris: And what I wish to know: Are the defendants, or is the defendant Schick, Inc., raising the defense of lack of infringement and invalidity of this patent to the defense of the second cause of action? That is the question.



Mr. Macdonald: I think that that necessarily implies your Honor, on that point of law, yes; we are raising it.

The Court: I would take it that the defendants' position with respect to the second cause of action is: (1) In addition to raising the general issue by denial that any such contract was made; and (2) if it was made, it is barred by the Statute of Frauds and becomes unenforceable by reason of the Statute of Frauds; and if not so, why, in any event the patent covered by the oral license was void and unenforceable, and, in any event, the defendant is entitled to renounce.

Mr. Macdonald: That is correct, your Honor.

\* \* \* \* \*

HARRIS - There is a question, and it might be helpful to the Court to have me make a statement on it, as to the breadth of the claims in suit and what interpretation they are entitled to.

If the Court finds that Col. Jones by his patent in suit made a valuable contribution to the dry shaver art, which we think is self-evident, then the Court is entitled under the law to accord the claims of the patent in suit a liberal and broad interpretation.

If so, we submit that all of the claims in suit are infringed by all of the defendants' devices exemplified by Exhibits 2, 3, 4, and 5. If, on the other hand, the Court finds that the plaintiff Jones by his patent made a contribution to the shaver art, but that it was merely minor in nature, then, of course, under the law the question must be more narrowly construed.



I think it will be helpful to the Court to have my position on that. If such a narrow construction is put upon the claims, then we think that it might be possible that some of the claims might not be regarded as infringed.

We think that Exhibits 2, 3, 4, and 5 under any construction will infringe the broad claims, claims 22, 23, 31, and 32.

We think that under a narrow construction of the patent, limiting it in scope and breadth, that only Exhibits 2, 3, and 5 infringe claims 1, 11, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29, and 30.

We think that the Super, which is in evidence as Exhibit 4, possibly might not infringe these claims, because there are some elements of them which must be liberally interpreted to make them read specifically on the Super shaver.

Also, I wish to point out to the court very frankly that claims 26, 27, and 29 of the patent in suit are very broad claims, because they all say that the end guards are "mounted on the head." This obviously, if read literally, is not true of any of defendants' devices, because the Exhibits 2, 3, 4, and 5 all clearly have whisk-its or end guards which are mounted on the handle of the device. However, it is also not true of the plaintiff's construction shown in this patent. In other words, if read literally, these three claims would not read upon the Jones construction, because the end guards on the Jones construction are not mounted upon the head; they are mounted upon the handle of the device.

These claims, however, were issued by the Patent Office and it may be presumed that the Patent Office construed them to read upon the Jones construction. We think they must be read, to make sense, as meaning that the end guards are mounted so as to engage the ends of the cutting head. In other words, they are not mounted directly on the cutting head; they are mounted so as to engage against the ends of the cutting head. But I wished to point that out because the court might be puzzled upon reading those three claims to find any infringement to those claims by the defendants' device. [574]

\* \* \* \* \*

The Court: Do claims 1, 11, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29, and 30—is it plaintiff's contention that all of those are infringed by the reason of the rounding of the guards and the merging of the guards into the cutting head?

Mr. Harris: That is correct, your Honor. Those claims depend for their validity and infringement upon the fact that the guards—first of all, the guards are disposed at the ends of the cutting head and they are rounded longitudinally or transversely or both so as to merge with the contour of the cutting head. And that is why I said that, in the event your Honor finds the patent is entitled to only a limited scope because it is only a narrow contribution to the art, then possibly these claims would not be infringed by the Schick Super shaver because, as your Honor will recollect in the Super which is exemplified by Exhibit 4, the whisk-its at the lower ends are below the outer face of the cut-

ting head, the whisk-its at the lower ends are spaced apart from the side face of the head. But that is something we do not subscribe to, because, as I pointed out, those claims must, we think, be interpreted liberally so as to cover what the patent means, that is, to provide shaving comfort at the point where the whisk-its or end guards and the cutting head touch the face of the user.

The Court: Is it plaintiff's contention that all the accused devices infringe claims 22, 23, 31, and 32 by reason of the fact that these end guards or whisk-its are hinged to the handle of the shaving head?

Mr. Harris: Yes, your Honor; and for another reason. Those are the broad claims, but they are also very specific claims. In other words, those claims are not subject to any charge of indefiniteness, because those claims all state that the end guards are hinged to the handle of the shaver. There is no question about that. In the defendants' devices all of the defendants' whisk-its are hinged to the handle and always have been, as Mr. Gray testified.

And, in addition to the hinging feature, all of those claims specify, with the exception of claim 31, that the end guards are rounded. So that you have both features of novelty and advantage in those four claims. Both features are, of course, found in all of the defendants' shavers exemplified by Exhibits 2, 3, 4, and 5.

The Court: In other words, claims 22, 23, and 32 include both the hinging of the end guards to the razor structure or [580] handle, according to plain-

tiff's contention, and the rounding of the end guards at the point of the cutting head as well?

Mr. Harris: That is correct, your Honor.

The Court: Claim 31 is narrower?

Mr. Harris: No; it is boader, because it does not say anything about the end guards being rounded in any way.

The Court: Yes. It is a broader claim, because there is no limitation upon the flaps, so-called, in 31, except that they be hinged to the ends of the head?

Mr. Harris: That is correct, your Honor. [581]

\* \* \* \* \*

The Court: As I understand it now, there will be no claim that the mere putting of end guards, as such, unless they were hinged?

Mr. Harris: As to the claims——

The Court: As to any claim, in fact.

Mr. Harris: As to claims 22, 23, 31, and 32 they all require that the end guard be hinged to the handle of the device, and there could not be any infringement of those claims unless you had a hinging or equivalent construction. In other words, you could have other structures which would in effect provide a hinge there, but they would have to be hinged to infringe those four claims.

Now, the other claims of the patent are not limited to the end guard being hinged, or most of them are not limited to the end guard being hinged to the device. But there were the two points; first of all, the rounding of the end guards; and secondly, as to these particular claims, the hinging of the end



guards. In other words, you have got the two features in these claims. [595]

I retain my original position, as read by Mr. Lyon, that if you did not round the guards of this patent, you would not have infringed. I think that is correct. I think the purpose of the patent was to get the shaving comfort. I think unless you rounded the end guards you would not get that shaving comfort; so I will stand on my remarks in the record on that.

The Court: Let me see if you agree with this: Then claim 31 would be probably the broadest claim, would it not?

Mr. Harris: Claim 31 is the broadest claim insofar as the question of whether the end guards have to be rounded or not. I merely pointed out claim 31, your Honor, to show you that the Patent Office in considering this application did not regard as to claim 31 that the limitation of rounding of the end guards was essential. In other words, claim 31 is a very broad claim as to the shape of the end guards, but it is very specific as to the way in which the end guards are attached to the handle of the device; so that it is broader in one sense.

The Court: And narrower in another?

Mr. Harris: And narrower in another. [596]

\* \* \* \* \*

The Court: Yes. I am not speaking of breadth now. I am attempting to see if I understand plaintiff's contention as to the precise points of invention.

Mr. Harris: Your Honor is correct. Those claims 22, 23, 31, and 32 are the only claims of the



patent, I think—I am quite sure—that are limited to the end guards being hinged to the handle. Other of the claims are limited to the end guards being mounted on the handle, and all of the claims, I think, must be read to be limited to end guards being rounded so as to get this conformation of the guards with the cutting head. [598]

\* \* \* \* \*

The Court: Do you contend that the hinging itself is a patentable feature?

Mr. Harris: Oh, hinging by itself, there is nothing patentable about that. That is an old element.

\* \* \* \* \*

Mr. Macdonald: \* \* \*

On page 284, Mr. Lyon had quoted in a question a statement made in Merrick's testimony—I won't read it all—but in which the witness Merrick testified that he called plaintiff's attention to the captions being the subject which would go into an agreement of this kind and the various provisions of it would have to be agreed upon, and suggesting he get counsel. And in answer to the question by Mr. Lyon, after quoting Merrick's testimony, before the answer Mr. Lyon says:

“Do you remember whether that is a correct statement of what transpired at the meeting with Mr. Cordiner?

“A. Well, I don't know that it is a hundred per cent accurate but, for the most part, I presume it is the truth. However, I never—my only statement about getting an attorney was

in accordance with my intention that I would get an attorney's advice to such an extent that I saw fit, and sign the contract if it satisfied me."

There, again, is a clear indication that the plaintiff himself did not think that he was bound by this oral contract. And I might add parenthetically, your Honor, that it appears [665] from the plaintiff's own testimony that up until the time when Mr. Cordiner said, "Shake, it's a deal," and the plaintiff shook hands and said, "It's a deal," that prior to that time the discussions affected solely and only the question of royalty. There was no discussion of any other provision up to that time.

The Court: Didn't they agree, though, on two things or three things: (1) That the defendants should have an exclusive license; (2) That the plaintiff should have certain royalties?

Mr. Macdonald: I think they agreed on those terms in the contract, yes; but that is only a portion.

The Court: Didn't they come to a meeting of the minds on those two issues?

Mr. Macdonald: Well, now, see if I understand that.

The Court: When they shook and said, "It's a deal," didn't that mean that the defendant obligated itself to pay the royalties, and didn't it mean that the plaintiff obligated himself to transfer the license?

Mr. Macdonald: No, your Honor. I would say that if it were not for this evidence I have read, this testimony—

The Court: Was that last statement a statement of the plaintiff himself?

Mr. Macdonald: Yes.

The Court: I am not going to believe the defendants' [666] witnesses in this case.

Mr. Macdonald: All right. I am taking the plaintiff's testimony.

\* \* \* \* \*

In other words, I think, if we may get back to the fundamental concept of this thing again—and I would like to emphasize this as much as I am able to—it seems to me that we are down to a very simple concept on the second cause of action. What did the parties intend when they shook hands and said, "It's a deal"?

In order to determine what they intended, I think we have got to look—let us forget Mr. Merrick's testimony completely—let us look only at the plaintiff's testimony [667] and let us look only at the letters that were exchanged between the parties at the time and the telegrams, because it is from that evidence that we can best determine or that the court can determine what the parties really intended.

Answering your Honor's question: Didn't they agree on those two points? I would say that they agreed on those two points, but they were not the only points in the contract as this testimony shows.

\* \* \* \* \*

The Court: My view of this is that the plaintiff has been an honest man in this matter. I believe him; I believe his testimony. I do not believe any

of the defendants' witnesses. I do not believe Mer-  
rick so far as defending himself in this unconscion-  
able deal. [669]

\* \* \* \* \*

Los Angeles, California

Tuesday, November 4, 1947, 1:30 P.M.

\* \* \* \* \*

Mr. Macdonald: That is right. Of course, your Honor will recall that in the record is the initial letter of the plaintiff to Schick Company claiming infringement and suggesting that he would give a license agreement; and this is an answer; in fact, it purports to be an answer to that letter.

The Court: Yes. But meanwhile, before the company had received the letter, they had representatives out here to negotiate.

Mr. Macdonald: That is right.

The Court: In other words, the negotiations were not in response to that letter. [726]

Mr. Macdonald: Oh, no. Well, your Honor, I think I can tie the whole matter up like this. It seems to me that what happened here was this: The defendant came out here to buy the plaintiff's patent; plaintiff would not sell it. He had no way of knowing what would happen, but at least the evidence would justify the inference that the defendants' representatives said they were authorized, and so on.

Now, he did not choose to do that. And what happened was that the parties were negotiating for this contract, about this license agreement. And by that



I do not mean just the two terms of it. And in the meantime, the defendant—and this has happened certainly with clients of mine, and perhaps with clients of your Honor's who become very enthusiastic about something and, on more mature thought, they say, "Oh, no; I don't want to do that."

The Court: What was in the minds of Merrick and Cordiner when they left the room that afternoon? They came out here to buy the patent, under their own power.

Mr. Macdonald: Yes; that is right.

The Court: Not at any suggestion of Jones.

Mr. Macdonald: That is right.

The Court: They came out here on a mission. In fact there is some indication in the record that Cordiner interrupted a vacation or it had been arranged that he was en route to Hawaii or some such matter; so they had a [727] definite mission.

They wanted to buy the patent. They could not buy it, so they wanted an exclusive license. Does the evidence show that Cordiner and Merrick thought they had an exclusive license when they left that room?

Mr. Macdonald: I think quite the contrary.

\* \* \* \* \*

The Court: Well, but those two were thrown in, weren't they? You have to remember, Mr. Macdonald, in considering this matter that there is absolutely no testimony here to the contrary of Jones' story of what happened that afternoon.



Where is Cordiner? Why did not the defendant produce him? The president of the company—no testimony.

Mr. Macdonald: We state that that testimony is true, your Honor. [736]

\* \* \* \* \*

The Court: Have you looked into this question of election?

Mr. Harris: Yes; I have, your Honor, and I can give you my thought on that in about one minute.

Rule 54 (c) provides in effect that the court shall give the relief to which the evidence shows the winning party entitled. It says this: [769]

“Except as to a party against whom a judgment is entered by default, every final judgment shall grant the relief to which the party in whose favor it is rendered is entitled, even if the party has not demanded such relief in his pleadings.”

And this section, subsection (c) of Rule 54, has been cited, not once, but time and time again in these election cases.

And it is my belief and I submit to you, your Honor, that neither you nor I have any question about election here. If your Honor finds a contract, then you must find or you must award relief to the plaintiff on that contract, whatever it may be. If your Honor finds that there is no contract but that the patent has been infringed, then I think that your Honor must find for the plaintiff and award the relief to which he is entitled by reason of patent infringement.

The Court: But you cannot award the plaintiff relief on both causes of action. [770]

\* \* \* \* \*

The Court: But if the court decides in favor of the plaintiff on the issue of validity and infringement, and further decides that there was a verbal license agreement, and that the defendants are estopped from pleading the statute of frauds with respect to it, then the court must award damages for the breach of the license agreement rather than damages under Section 70?

Mr. Harris: I think that is correct, your Honor. I do [772] not see that there is any alternative to it. I do not think there is any matter of election to it. I think it is a question of what relief your Honor finds that the plaintiff is entitled to.

Now, the plaintiff cannot be entitled to any relief for patent infringement if there was a contract, because the contract creates the license that would license all these so-called infringing acts.

The Court: Then your position is that what the plaintiff has here, I take it, is a prayer for alternative relief?

Mr. Harris: That is correct.

The Court: He has said in effect if there is no contract, I want to hold the defendants as infringers; if there is a valid license agreement, I want to hold him as a licensee for damages for the breach of contract.

Mr. Harris: That is correct. [773]

\* \* \* \* \*

Los Angeles, California,

Wednesday, November 5, 1947, 1:30 p.m.

\* \* \* \* \*

Mr. Macdonald: There is only one other point, your Honor. Yesterday Mr. Harris indicated, I believe, that I had made a statement about the truth or the character of the plaintiff's testimony that carried beyond the implications in it, what he said beyond anything intended.

You recall, your Honor, when you and I were discussing yesterday that question of why Mr. Cordiner had not been brought here, and I expressed satisfaction with the plaintiff's testimony. I might have also said that there is no conflict, as we see it, between Merrick's testimony and the plaintiff's in substantiating a contract. I want to be perfectly clear that I am not stipulating or admitting in any way the conclusions of the plaintiff to the effect, throughout his testimony from time to time, that he thought he was bound—those are his conclusions on the stand—and that Schick was bound; nor do I concede that such conclusions have any probative value whatsoever.

I just wanted to make that clear for the record. I have [820] nothing more, your Honor.

\* \* \* \* \*

The Court: Gentlemen, your oral argument has been most helpful to me. I feel clear on this case now.

First, I want to open the evidence and receive under the second cause of action all excluded evi-

dence of which a record was made under Rule 43(c).

What constitutes invention is a very troublesome question to me. I suppose it is to any judge. And the more I read on the subject, I must confess does not help me to be clearer, particularly when the older decisions are compared with the more recent decisions.

In a given art I take it that many circumstances are to be considered in determining what constitutes invention. I do not think there is any question here but what the improvements stated in the patent in suit are novel as applied to a shaver and are useful.

It is a debatable question whether they embody invention but, in combination, I find that with respect to claims 22, 23, 31, and 32, the improvements which are described are not only novel and useful but do embody invention. [821]

I therefore find that claims 22, 23, 31, and 32 are valid.

The remaining claims in suit do not, in my opinion, embody invention and are invalid because of indefiniteness.

I further find that claims 22, 23, 31, and 32 are infringed by the accused devices, as follows:

First, the Captain model shaver, an exemplar of which is in evidence here as Plaintiff's Exhibit 2;

Second, the Colonel shaver, an exemplar of which is in evidence here as Plaintiff's Exhibit 3;

Third, the Super model Schick shaver, the exemplar of which is in evidence as Plaintiff's Exhibit 4; and



Fourth, the Service Exchange model, the exemplar of which is in evidence here as Plaintiff's Exhibit 5.

As between the two defendants, defendant Schick, Inc., alone is guilty of infringement in this district by the Captain, Exhibit 2, and the Super Schick shaver, Exhibit 4, while defendant Schick Service, Inc., alone is guilty of infringement by the Service Exchange model, Exhibit 5, and both defendants are guilty of the infringement by the Colonel model shaver, Exhibit 3.

I further find that all infringement has been conscious, deliberate, willful, and wanton as alleged.

As to the second cause of action, I find that an oral agreement was made as alleged, an oral agreement for exclusive license and for the payment of royalties.

I further find that that alleged oral agreement which is now found to have been made was not conditioned by the parties upon being reduced to writing.

I further find that the parties, having fully agreed on the basic terms, that is, on the part of the patentee for the grant of the exclusive license for the life of the patent, and on the part of the licensee, the defendant Schick, Inc., for the payment of royalties, left additional points for possible later agreement and intended, later, to reduce the agreement to written form; that that was not a condition of the oral agreement that was made and was concluded at the time. I find, the president of Schick,



Inc., shook hands with the plaintiff and said, "It's a deal."

The oral agreement as made, however, was to be performed over the life of the patent and hence, I find, was an agreement that, by its terms, was not to be performed within one year from the making thereof and, therefore, was the type of agreement declared by subsection (1) of Section 1624 of the Civil Code of California to be invalid unless the contract or some note or memorandum thereof was in writing and subscribed by the party to be charged or his agent. [823]

I find that there was no sufficient memorandum of the oral contract which was made on January 29, 1941, the contract sued upon, therefore, conclude that there was no sufficient memorandum to take this oral agreement out of the Statute of Frauds.

I also find that the agreement was not fully performed by the plaintiff so as to take it out of the operation of the Statute of Frauds.

Referring to the complaint as amended now, I therefore find that the plaintiff did not on January 29, 1941, or at any other time fully or completely perform his obligations under the oral contract.

I find that he offered to perform but he did not in fact perform so as to constitute an affirmative performance under the oral contract.

I find that on or about February 20, 1941, plaintiff, in reliance upon the oral contract made on January 29, 1941, and at the request of and induced by defendant Schick, Inc., did disclose by sending

to Schick, Inc., the contents of two pending secret applications for United States Letters Patent not theretofore know in whole or in part to the defendant Schick, Inc., and that the plaintiff disclosed those two patent applications to defendant Schick, Inc., in reliance upon the oral agreement for an exclusive license heretofore found. [824]

I further find that the plaintiff would not have submitted those applications or disclosed them to the defendant Schick, Inc., had he not relied upon the oral agreement heretofore found.

I further find that it was not one of the terms or provisions of the oral agreement sued upon and found to have been made that the plaintiff would submit those applications or disclose them to the defendant Schick, Inc.

I further find that those applications are not involved in the oral agreement for an exclusive license which the parties made on January 29, 1941.

I further find that the plaintiff, in disclosing the secret applications for United States Letters Patent, thereby changed his position and did so to his detriment, and I conclude that the act of submitting those two applications did not constitute a partial performance of the contract and was not an act solely referable to the contract sued upon, and it is not, for that reason, an act of conduct which would estop the defendant Schick, Inc., from pleading the Statute of Frauds as a defense. In other words, it did not estop Schick, Inc., from asserting the invalidity of the contract pursuant to Section 1624 of the California Civil Code.

I therefore conclude that judgment should be for the defendant Schick, Inc., on the second cause of action. [825]

That cause of action is not asserted against the defendant Schick Service, Inc., is it?

Mr. Harris: That is correct, your Honor.

The Court: It is asserted only against——

Mr. Harris: Only against Schick, Inc.

The Court: Very well. Findings and judgment accordingly are ordered in favor of defendant Schick, Inc., a corporation, on the second cause of action as amended.

Now, back to the first cause of action.

Before concluding, I want the record to show that I do not believe the testimony of the witness Bert C. Quasnovsky for defendant Schick, Inc., with respect to defendants' Exhibit G and which that witness testified he prepared at the age of 18 years.

I find that both defendants have a regularly established place of business in the Southern District of California, and that both have committed the acts of infringement found within this District.

I therefore conclude that the venue in this cause is properly laid with respect to the first cause of action.

I conclude that the plaintiff is not required to elect between the remedies sought in the first and second causes of action. And I re-adopt all the conclusions of law which are stated in the memorandum to counsel filed in this cause on April 4, 1947. [826]

Findings and judgment are ordered for the plaintiff on the first cause of action on the issues of validity and infringement of the patent in suit as to claims 22, 23, 31, and 32.

Pursuant to Rule 52 of Federal Rules of Civil Procedure, interlocutory findings and degree will be prepared enjoining further infringement of those claims and ordering an accounting to aid in the determination of the issue as to plaintiff's damages arising from the infringement by both defendants, as stated before.

The case will be referred to David B. Head, as special master, pursuant to Rule 53 of the Federal Rules of Civil Procedure, with directions to hear the accounting and other evidence on the issue of plaintiff's damages to be assessed pursuant to Section 4921 of the Revised Statutes, 35 U. S. C. Section 70, and with directions to the special master to report his findings of fact and conclusions of law speedily to this court with respect to the assessment of plaintiff's damages.

The Court will reserve decision on plaintiff's prayer for treble damages and attorneys' fees until after the determination of the issue of damages.

Counsel for plaintiff will submit those findings of fact and conclusions of law and decree pursuant to Local Rule 7 within 10 days. [827]

\* \* \* \* \*

Mr. Macdonald: There is one more point, your Honor. Do I understand that the plaintiff is not required to elect at this time between the two causes of action? I mean you decide in favor of plaintiff



on the first cause of action and against him on the second?

The Court: I have adopted plaintiff's view that, really, an election is not involved here; that the plaintiff can only hold it on the contract, if the contract is in existence.

Mr. Macdonald: That is right.

The Court: That if the license agreement is in existence, that is the measure of the parties' bargain.

Mr. Macdonald: That is right.

The Court: Because he has not by his suit elected to treat the contract at an end. In other words, he sued, claiming in effect under the second cause of action, really, [829] his first contention, as a matter of law, as I view it. He says, "I want to hold them to this license agreement. I contend it is still in effect, still in force." It seems to me that is implicit in the second cause of action, that he contends that the agreement is still in force.

Mr. MacDonald: That is right.

The Court: And he says in effect, by way of alternative relief, if it is not in force, I want to hold him as an infringer.

Mr. Macdonald: But, as the matter stands, it is only the first cause of action. It is an automatic election, you might say that.

The Court: Yes. That is the only one under Rule 54(c) the Court is to award such relief as the plaintiff is entitled to, and that is the relief I find the plaintiff entitled to. [830]

\* \* \* \* \*



CERTIFICATE

I hereby certify that I am a duly appointed, qualified and acting official court reporter of the United States District Court for the Southern District of California.

I further certify that the foregoing is a true and correct transcript of the proceedings had in the above entitled cause on the date or dates specified therein, and that said transcript is a true and correct transcription of my stenographic notes.

Dated at Los Angeles, California, this 12th day of November, A. D. 1947.

/s/ ALBERT H. BORGION,  
Official Reporter.

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[Endorsed]: No. 11854. United States Circuit Court of Appeals for the Ninth Circuit. Schick Service, Inc., and Schick, Inc., Appellants, vs. Ralph E. Jones, Appellee, and Ralph E. Jones, Appellant, vs. Schick Service, Inc., and Schick, Inc., Appellee. Transcript of Record. Upon Appeals from the District Court of the United States for the Southern District of California, Central Division.

Filed February 12, 1948.

/s/ PAUL P. O'BRIEN,  
Clerk of the United States Circuit Court of Appeals  
for the Ninth Circuit.

In the United States Circuit Court of Appeals  
for the Ninth Circuit

No. 11854

SCHICK SERVICE, INC., a corporation, and  
SCHICK, INC., a corporation,

Appellants,

vs.

RALPH E. JONES,

Appellee.

NOTICE OF ADOPTION OF  
STATEMENT OF POINTS

Appellants hereby adopt as their statement of points under Rule 19(6) on their appeal the concise statement of points on appeal under Rule 75(a) appearing in the transcript of the record certified by the Clerk of the District Court and filed herein.

Dated this 20th day of February, 1948.

/s/ LEONARD S. LYON,

/s/ FREDERICK W. LYON,

Attorneys for Defendants-  
Appellants.

Receipt of a Copy of the within is hereby admitted this 20th day of February, 1948.

/s/ FORD HARRIS, JR.

[Endorsed]: Filed Feb. 24, 1948.

[Title of Circuit Court of Appeals and Cause.]

NOTICE OF ADOPTION OF  
STATEMENT OF POINTS

Cross-Appellant in the above-entitled cause hereby formally adopts as his statement of points on his cross-appeal under Rule 19(6) the Concise Statement of Plaintiff-Cross-Appellant's Points on His Cross-Appeal dated January 30, 1948, appearing in the record on appeal on file herein.

Dated this 26th day of February, 1948.

HARRIS, KIECH, FOSTER &  
HARRIS,

/s/ FORD HARRIS, JR.,

Attorneys for Plaintiff-  
Appellee-Cross-Appellant.

Received copy of the within this 26th day of Feb., 1948.

/s/ FREDERICK W. LYON.

[Endorsed]: Filed Feb. 27, 1948.



No. 11854.

IN THE

United States Circuit Court of Appeals  
FOR THE NINTH CIRCUIT

---

SCHICK SERVICE, INC., and SCHICK, INC.,

*Appellants,*

*vs.*

RALPH E. JONES,

*Appellee,*

and

RALPH E. JONES,

*Appellant,*

*vs.*

SCHICK SERVICE, INC., and SCHICK, INC.,

*Appellees.*

---

OPENING BRIEF FOR DEFENDANTS-  
APPELLANTS.

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FILED

JUN 29 1948

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No. 11854.

IN THE

# United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT

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SCHICK SERVICE, INC., and SCHICK, INC.,

*Appellants,*

*vs.*

RALPH E. JONES,

*Appellee,*

and

RALPH E. JONES,

*Appellant,*

*vs.*

SCHICK SERVICE, INC., and SCHICK, INC.,

*Appellees.*

---

## OPENING BRIEF FOR DEFENDANTS- APPELLANTS.

---

This is an appeal from an Interlocutory Judgment entered by the District Court of the United States for the Southern District of California, Central Division, holding that claims 22, 23, 31 and 32 of United States Letters Patent No. 2,228,768, granted January 14, 1941 to plaintiff Ralph E. Jones on a Hair Clipping and Shaving Device, are valid and infringed, granting an injunction prohibiting further infringement of these claims, and ordering an accounting for damages.

## JURISDICTION.

No question of jurisdiction or pleading is raised by the appeal herein. The Complaint alleges [para. III, R. 8], and the Answer does not deny, that the suit arises under the patent laws of the United States of which the District Courts of the United States have exclusive original jurisdiction. *Judicial Code* § 48.

The appealed Interlocutory Judgment was filed and entered December 31, 1947 [R. 65]; defendants' Notice of Appeal was filed January 12, 1948 [R. 78] (within thirty days thereafter). *Judicial Code* § 129.

## STATEMENT OF THE CASE.

### The Issues.

On July 6, 1945, plaintiff Ralph E. Jones filed his Complaint against the defendants Schick Service, Inc., and Schick, Inc. [R. 2]. On October 22, 1945, Schick Service, Inc., and Schick, Inc., answered said Complaint [R. 4]. On February 18, 1946, the plaintiff filed his Combined Original and Supplemental Complaints for Infringement of Letters Patent No. 2,228,768, alleging therein the grant of said Letters Patent and the ownership of said patent by plaintiff and the infringement thereof by the defendants; and, as a second cause of action, alleging an oral contract purporting to grant a license from the plaintiff to defendant Schick, Inc., and demanding performance of said oral contract [R. 8]. On February 28, 1946, the defendants filed an Answer to the Combined Original and Supplemental Complaints [R. 12] denying that defendants had infringed United States Letters Patent No. 2,228,768 [para. II, R. 13], and alleging that said Letters Patent and all the claims were invalid and void for the following reasons:

(a) The invention or inventions purported to be patented had been described in printed publications prior to the supposed invention or discovery by the plaintiff [para. VI, R. 14];

(b) That the plaintiff was not the original and first inventor of any material or substantial part of the thing claimed in said patent [para. VII, R. 14];

(c) That the invention or inventions purported to be patented thereby did not constitute patentable novelty or invention within the meaning of the patent laws, in view of the prior state of the art, and in

view of what was common knowledge on the part of those skilled in the art, prior to the date of the alleged invention or inventions of the plaintiff [para. VIII, R. 15];

and denying that the defendant Schick, Inc., had ever entered into any contract with the plaintiff [para. IV, R. 16], and alleging that any claim asserted under the alleged oral contract was barred by the Statute of Limitations of the State of California [para. VII-X, incl., R. 18], and alleging that the alleged oral contract was not by its terms to be performed within one year from the making thereof, that said supposed contract was never in writing subscribed by the defendant Schick, Inc., or by its agents, and that there was not any note or memorandum thereof subscribed by defendant Schick, Inc., or by its agents [para. XI, R. 19]; and was therefore barred by the Statute of Frauds of the State of California (California Civil Code § 1624; California Code of Civil Procedure § 1973).

The Answer [para. I, R. 13] also denied that the defendant Schick, Inc., has any regular and established place of business in the Southern District of California or [para. II, R. 13] has committed any act of infringement in the Southern District of California. This challenge to the court's venue as to defendant Schick, Inc., was determined adversely to the defendant Schick, Inc. [Finding of Fact 4, R. 44-47]. Defendant Schick, Inc., is making no point of this question of venue on this appeal.

The case was tried below upon both the first and second causes of action. The District Court found that claims 1, 11, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29 and 30 were invalid in law [para. 2, R. 62]; that claims 22, 23, 31 and 32 were valid [para. 1, R. 62] and had been infringed by

defendants [para. 4, 5, R. 62-63]; and dismissed the second cause of action [para. 12, R. 65]. Defendants have appealed from the judgment holding claims 22, 23, 31 and 32 valid and infringed [R. 78]. Plaintiff has appealed from the judgment holding claims 1, 11, 26, 27, 28, 29 and 30\* to be invalid and from the judgment dismissing his second cause of action [R. 86]. This brief is directed solely to defendants' appeal from the judgment with respect to the validity and infringement of claims 22, 23, 31 and 32. Defendants' position on plaintiff's appeal will be set forth in the brief filed on behalf of defendants in reply to such brief as plaintiff may file on his appeal. In view of the cross-appeals and the various briefs that will be submitted by the parties thereto, we are identifying the parties in this brief as they were in the District Court, to wit: as plaintiff and defendants.

### **The Patent in Suit**

The subject matter of the patent in suit is expressly limited to the making of certain alleged improvements in the well-known Schick type\*\* of electric shavers [R. 425, col. 1, ll. 1-4]. These alleged improvements were urged by plaintiff in the court below to be brought about by adding to the Schick razor so-called guards or flaps (No. 20 in the patent drawings) which are hinged to the razor handle. According to the patent in suit, two objections to

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\*On March 30, 1948, plaintiff filed in the United States Patent Office a disclaimer of claims 17, 18, 19, 20, 24 and 25 (608 O.G. 831).

\*\*The original Schick electric razor was considered by this Court in *Motoshaver, Inc. v. Schick Dry Shaver*, 112 F.2d 701, and in *Davis v. Schick Dry Shaver*, 112 F.2d 706.



the original Schick razor are obviated by these guards or flaps. The first of these objections is stated in the patent as follows:

“Devices of this kind as placed upon the market are open to the objection that there are two relatively sharp corners on each side of the shaving head and two relatively sharp corners at the extremities of the shaving head. These corners, when the instrument is pressed against the face or other part, are annoying and uncomfortable, particularly inasmuch as the device must be pressed firmly against the face in order that it shall cut properly and make a ‘clean shave.’” [R. 425, col. 1, ll. 13-23.]

To meet this objection the patent proposes:

“Each of these guards at its outer end is rounded, as at 24, so that its outer face extends longitudinally of the guard and inward towards and merges into the flat upper face of the channeled head 12.” [R. 426, col. 1, ll. 41-45.]

The second objection is set forth in the patent as follows:

“In devices of this kind, the channel-shaped head is held in place against accidental detachment by means of a set screw passing through a channel-shaped recess in the handle, which recess contains the head. Due to the very rapid vibrations given to the cutter within the head, this set screw often becomes loosened, and in that case, the head is liable to fall out, carrying with it the cutter, and the cutter and head may drop against some very hard object as, for instance, a washstand, floor or the like, and damage the cutter head or the cutter itself, thus rendering the instrument impossible for use until these parts have

been replaced or duplicated at considerable expense.”  
[R. 425, col. 1, ll. 23-38.]

This objection, the patent explains, is overcome by extending the guards “across both ends of the channel-shaped head, which will hold the channel-shaped head in position without the necessity of using a set screw” [R. 425, col. 1, ll. 57-59].

Each of the guards or flaps has an opening 35 so that a “blast of air will blow the hairs which may have collected in channel 17 out through the opposite guard” [R. 426, col. 2, ll. 68-70]. From this it is apparent that the guards or flaps 20 of the patent in suit were not designed to function or serve as collectors for the beard cuttings. This is further confirmed by the shape of the guards or flaps which are relatively flat and provide no reservoir or storage space in which the beard cuttings could be stored, even were they not to blow out through the holes 35 [R. 360].

### **The Accused Devices.**

The devices which the District Court has held infringe claims 22, 23, 31 and 32 are the Schick electric dry shavers [Physical Exhibits 2, 3, 4, 5 herein; R. 62, 63]. These have been held to infringe because of the mounting thereon of the hair receptacles described and covered by Patent No. 2,275,022 issued to the defendant Schick, Inc. [R. 464-6; Dfts. Exh. L-3]. Contrary to the guards or flaps of the patent in suit, these receptacles are imperforate and of a shape enabling them to catch and store the hair or beard clippings. These receptacles or clipping collectors

are called "whisk-its" by the defendants. They are not provided for the purpose of holding the channeled head to the handle nor to prevent scratching or cutting [R. 360]. Very similar receptacles or trash collectors have been used in other arts. Compare the receptacle or retainer *L* in Patent No. 765,954 dated July 26, 1904, for a Punch [R. 550-552; Dfts. Exh. L-19]. Such a punch provided with a retainer like the retainer *L* for collecting chips or clippings is in evidence as Defendants' Exhibit N [R. 332]. The wide sale of this punch in 1923 and in subsequent years is stipulated [R. 330-31] and is illustrated in the catalogue of the McGill Metal Products Co. of Chicago, Illinois [Dfts. Exh. M].

### **Rounding.**

As we shall see, it is difficult, if not impossible, to ascertain the basis upon which the court below found that claims 22, 23, 31 and 32 can be sustained and held infringed by defendants' whisk-its. Such a holding could be supported only by finding something patentably new in the patent in suit which is employed in the accused devices. Since the defendants' whisk-it serves the purpose of a reservoir or hair collector and plaintiff's patent does not, and since plaintiff's guards or flaps are utilized to hold the head in position without the necessity of using a set screw and defendants' whisk-its are not, the question remains: What is it that plaintiff asserts is patentably new and which may be found both in the patent in suit and in defendants' whisk-its?

This question is left unanswered by the decision and findings of the court below unless it can be answered by

inference from Finding of Fact 17 [R. 53] where the court below said:

“By the invention of the patent in suit, the skin of the user is protected against the relatively sharp edges and corners on the ends of the shaving head, and this provides substantial shaving comfort to the user which in turn permits a faster shave than would otherwise be possible, which is highly desirable.”

In stating that the invention of the patent in suit provides shaving comfort, the court in this finding has stated the result or function of the purported invention but has not identified the means of accomplishing the same, and therefore has not identified the invention. This, however, is supplied in the testimony of the plaintiff who plainly states that any added comfort “depends entirely on eliminating the sharp corners, or sharp edges at the razor head” [R. 181]. The way the patent teaches to protect against such sharp corners or edges is to round them off [R. 425, col. 1, ll. 39-48]. While there is some confusion in the wording of the patent as between rounding off the corners and edges of the cutting head itself as compared with rounding off the edges and corners of the guards or flaps 20, the plaintiff in his testimony at the trial conceded that infringement of the patent in suit depends entirely upon the latter. On this point the following question was put to plaintiff’s attorney by the court below:

“The Court: Does the plaintiff contend that the use of any sort of an end guard, whether it has a sharp edge or not, is an infringement of the patent in suit?



“Mr. Harris: Certainly not, your Honor. The end guard must be rounded so as to provide shaving comfort, which we are talking about.

“\* \* \* if they put an end guard on the shaver, in which you left sharp corners on the cutting head projecting so as to interfere with shaving comfort, then I would not contend that was an infringement of the patent. This is a patent covering end guards rounded so as to add shaving comfort to the user.” [R. 188-9.]

The District Court did not, however, regard the rounding off of the sharp corners or edges of either the razor head or guards as sufficient to sustain the patent in suit. Of the claims sustained by the District Court, claims 22 and 23 refer to “rounded guard elements,” and claim 32 refers to “rounded” end flaps, none of the claims defining the extent or degree of such rounding. Claim 31, sustained by the District Court, makes no reference to rounding. On the other hand, all of the claims held invalid by the District Court (claims 1, 11, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29 and 30) not only include the rounding of both the cutter head and the guards but define such rounding by calling for the rounding surfaces of the guards merging into the surfaces of the head. While plaintiff has filed a cross-appeal from this ruling as to some of the claims held invalid by the District Court, he has filed a disclaimer (*supra*) as to claims 17, 18, 19, 20, 24 and 25. Each of the latter claims calls for rounding.

Certainly the District Court cannot be criticized for failing to predicate its decision sustaining claims 22, 23, 31 and 32 upon the rounding off of corners and sharp edges. By no stretch of the imagination could the use of



so well-known an expedient be deemed to constitute a patentable invention. Everyone knows that the way to protect against a sharp corner or edge is to round off the corner or edge. This expedient is commonplace everywhere in mechanics. Everyone knows of it. It was well known in the shaver art. In the shaving art it is very old to provide a razor or other device with a rounded guard to prevent sharp edges. An example of this is shown in the patent to Peterson No. 1,744,280 [Exh. L-4, R. 470]. This patent describes a guard which is used with the ordinary Gillette safety razor. Such a razor has square ends like the squared ends complained of in the patent in suit [col. 1, ll. 13-23; R. 425]. The patent in suit teaches that a rounded device placed at the end of the channeled head of the razor would give a smoother, more satisfactory shave [R. 377]. That is exactly the teaching of the Peterson patent [Exh. L-4]. In the Peterson patent is described a body portion 1 which has shields 4. The body portion corresponds to the channeled head of the Jones patent, and a view of the drawings shows that the shields 4 are curved and rounded into the channel portion 1 to make a smooth uninterrupted curve so that the edges or corners of the razor blade 11 cannot cut or scratch. The patent states [col. 2, ll. 74-79, R. 472]:

“The fact of the matter is, it may be used with greater comfort upon smooth surfaces of the face and body than can the ordinary razor and my improved razor may, therefore, be said to be adapted to shave any part of the human body without fear of injury thereto.”

Patent No. 1,801,889 to Ventimiglia (Exh. L-5, R. 474] describes a dry shaver whereby all the sharp edges

or corners are rounded off to prevent scratching and cutting. The outer portion of this device A is closed at its end 5 by a rounded shield, as shown in the drawing [R. 377]. Patent No. 1,516,635 to Friedman [Exh. L-6, R. 478] shows an electric shaver having a rounded gauge plate 1 which would come in contact with the skin, rounded at 4 to make the device slide over the skin more readily [R. 377]. The patent to Szabo, No. 1,175,023 [Exh. L-7, R. 484], shows a hair cutting device that has a guard member shown in cross section in Figure 4 and the ends are covered with round corners which round into the line of the comb to prevent damage or injury to the skin [R. 378]. Patent No. 2,014,882 to Dean [Exh. L-8, R. 490] shows an attachment adapted to be put on a conventional hair clipper which forms rounded beads 18 at the corners of the shaving head to prevent cutting or scratching [R. 378].

None of this art was cited by the Examiner and there is therefore no presumption that the claims of the patent in suit are valid over such art. Comparing the claims, for example claim 22, with the exhibits just set forth, we have claim 22 calling for "an open-ended channeled head, and rounded guard elements hinged to the device at the opposite ends of said head." The Peterson patent [Exh. L-4, R. 470] describes a "channeled head," that is, the usual square-ended Gillette safety razor to which are added "rounded guard elements."

At the trial plaintiff asserted on the witness stand that in 1935, prior to designing the device of the patent in suit, he had a Schick shaver the edges of which were "very sharp" [R. 115]. This shaver was not produced at the

trial. Plaintiff was confronted with Exhibit B and acknowledged that it was "unmistakably an earlier model than the one that I had" [R. 192]. Plaintiff acknowledged that the beads on the head of this Exhibit B "are somewhat beveled and somewhat rounded" [R. 193]. At the trial defendants produced the witnesses Bert C. Quasnovsky [R. 278-332] and Norman Gray [R. 332-395] from the plant of defendant Schick, Inc., at Stamford, Connecticut, both of whom testified to the fact that the edges and corners of the Schick electric shaver have always been, from the earliest days of that shaver, rounded off to avoid cutting or scratching of the skin and to give shaving comfort. The witness Quasnovsky produced an original drawing [Exh. G, R. 453] from the engineering files of the defendant Schick, Inc., dated January 4, 1932, showing on its face where and how the rounding was to take place. Quasnovsky testified that he made this drawing [R. 284-5] and that he initialed and dated the drawing in his own handwriting. Both Quasnovsky [R. 302-3] and Gray [R. 358] testified to the fact that at the factory all Schick shavers have always been inspected in a department maintained for that purpose to see that any edges or corners "are nice and rounded" [R. 302]. The testimony of the witnesses Quasnovsky and Gray was not contradicted at the trial. Indeed, it was fully corroborated by plaintiff who himself admitted that the sharp edges of the Schick razors prior to his alleged invention were rounded at least "to some extent" [R. 195]. Nevertheless, during the argument the District Judge announced, "I am not going to believe the defendants' witnesses in this case" [R. 406] and in the findings of fact stated, "the testimony and demeanor of both failed to carry any conviction as to the

dates of manufacture or sale of Exhibits B, F, H and I, or any of them" [Finding of Fact 15, R. 52]. This arbitrary rejection of the uncontradicted evidence of defendants' witnesses we hereafter specify as error.

### Hinging.

The only remaining clue to the basis for the District Court's decision in this case lies in contrasting the claims held valid by the District Court with those held invalid. The difference should reveal whatever it was the District Court deemed to be a patentable invention that was infringed by the accused structures. If this contrast be made it leads to a truly remarkable answer to the question. Evidently the District Court sustained claims 22, 23, 31 and 32 of the patent in suit because a hinge is employed in the patent in suit to secure the end guards to the shaver handle. An examination of the wording of claims 22, 23, 31 and 32 shows that each of these claims called for this hinging. A comparison of all the claims held invalid by the District Court shows that none of such claims refers to such hinging. There is nothing in the decision or the findings of fact or conclusions of law expressly referring to the hinging, but the hinging is the only difference between invalid and valid claims according to the ruling of the District Court. How the court could sustain the patent on this point is quite beyond our understanding in view of the fact that the court, during the trial, obtained a concession from plaintiff's counsel that there was nothing patentable about the hinging:

"The Court: Do you contend that the hinging itself is a patentable feature?



Mr. Harris: Oh, hinging by itself, there is nothing patentable about that. That is an old element.” [R. 404.]

Plaintiff’s counsel could not have answered otherwise. Hinging is one of the oldest and commonest manners of attaching one element to another. It is an ordinary mechanical expedient known to all. The receptacle *L* shown in patent 765,954 [Exh. L-19] for collecting the punchings or clippings, as demonstrated in defendants’ Physical Exhibit N, is hinged to the punch handle.

No wonder there is uncertainty in the District Judge’s decision as to whether claims 22, 23, 31 and 32 embody any invention. The court admitted its doubt in its oral opinion:

“It is a debatable question whether they embody invention but, in combination, I find that with respect to claims 22, 23, 31, and 32, the improvements which are described are not only novel and useful but do embody invention.” [R. 412.]

The District Court has left entirely to surmise what these “improvements” may be. Evidently they were not the rounding of the corners or edges of the guards, and plaintiff has conceded there is no invention in the hinging. The wording of the patent itself demonstrates that there is no patentable combination of these two admittedly unpatentable features. The statement of the inventor in the patent to this effect is as follows:

“While I have described both guards 20 as being hinged or pivoted by means of the pivot pins 23, I do not wish to be limited to this as it is obvious that one of these guards, or both of them, might be permanently fixed in closed position and rigidly attached to the handle.” [col. 1, ll. 24-29, R. 427.]



## SPECIFICATION OF ERRORS.

1. The court below erred in failing to hold that claims 22, 23, 31 and 32 in suit are void for lack of invention.

2. The court below erred in holding that claims 22, 23, 31 and 32 are infringed by defendants' shavers of types exemplified by physical Exhibits 2, 3, 4 and 5.

3. The court below erred in making its Finding of Fact No. 15 [R. 51-52] rejecting the testimony of the witnesses Quasnovsky and Gray as to the manufacture and sale of Exhibits B, F, H and I.

4. The court below erred in making its Finding of Fact No. 14 [R. 50-51] that the prior art patents and the prior art paper punch [Exh. M] are irrelevant and immaterial.

5. The court below erred in making its Finding of Fact No. 17 [R. 53] that the invention of the patent in suit has provided a substantial contribution in the art of dry shavers.

6. The court below erred in making its Finding of Fact No. 18 [R. 53-55] in finding that the file wrapper record for the patent in suit does not so limit or restrict the scope of claims 22, 23, 31 and 32 as to avoid infringement by defendants' shavers, exemplified by physical Exhibits 2, 3, 4 and 5, and that plaintiff made no admissions in such proceedings which would restrict or limit the scope or interpretation of such claims so far as such shavers are concerned.

7. The court below erred in failing to find that, in view of the fact that no device built according to the drawings and specification of the patent in suit has ever been made or commercially used, the patent is to be strictly construed and limited to the device there shown and described, and is therefore not infringed by defendants' shavers exemplified by physical Exhibits 2, 3, 4 and 5.

8. The court below erred in making its Finding of Fact No. 26 [R. 59] that infringement by defendants of the patent in suit has been conscious, deliberate, wilful and wanton, particularly in view of the fact that the manufacture and sale of the accused shavers was begun by the defendants prior to the issue of the patent in suit without knowledge of plaintiff's alleged invention, and that prior to the judgment of the court below, none of the claims of such patent had been judicially sustained and even now most of the claims, as found by the court below, are invalid.

9. The court below erred in granting an injunction [R. 63] restraining defendants from infringing claims 22, 23, 31 and 32 of the patent in suit.

10. The court below erred in ordering the case referred to a special master [R. 64] to determine damages for said infringement.

11. The court below erred in not adjudging that plaintiff's complaint for infringement of the Letters Patent in suit be dismissed and that defendants recover their costs including attorneys' fees.

## SUMMARY OF ARGUMENT.

**Point 1.** There is no invention in rounding off the edges of a device with a guard.

**Point 2.** There is no invention in hinging a guard.

**Point 3.** Providing a dry shaver with rounded guards hinged on its handle is not a patentable combination.

**Point 4.** The Jones patent does not point out and distinctly claim the alleged invention.

**Point 5.** It is the duty of the court in a patent case to protect the public from invalid patents.

**Point 6.** Defendants' accused shavers [Exhibits 2, 3, 4 and 5] should not be held to infringe claims 22, 23, 31 and 32.

**Point 7.** The court below erred in making its Finding of Fact 15 rejecting the testimony of the witnesses Quasnovsky and Gray as to the manufacture and sale of Exhibits B, F, H and I.

**Point 8.** The District Court erred in making Finding of Fact 26 that the infringement of defendants was "conscious, deliberate, wilful and wanton."

## ARGUMENT.

### POINT I.

#### There Is No Invention in Rounding Off the Edges of a Device With a Guard.

There is no invention in rounding off the edges of a device with a guard. In the shaving art it is very old to provide a razor or other device with a rounded guard to prevent sharp edges. Only the skill of a mere novice, not an expert, would be necessary to understand that a shaver would cut and scratch if it were not rounded.

“‘A mere difference or change in the mechanical construction in the size or form of the thing used, in order to obviate known defects existing in the previous devices, although such changes are highly advantageous, and far better and more efficacious and convenient, does not make the improved device patentable. In order to be patentable, it must embody some new idea or principle not before known. It must, as before stated, be a discovery, as distinguished from mere mechanical skill or knowledge. (Citing cases.)’” *Keszthelyi v. Doheny Stone Drill Co. et al.*, 59 F.2d 3, 8 (C.C.A. 9).

See also:

*R. G. LeTourneau v. Gar Wood Industries*, 151 F.2d 432, 434 (C.C.A. 9);

*Emmett v. Metals Processing Corporation*, 118 F.2d 796, 799 (C.C.A. 9);

*Grayson Heat Control, Limited v. Los Angeles Gas Appliance Co., Inc.*, 134 F.2d 478, 481 (C.C.A. 9).

The proof is conclusive that it is very old to provide a razor or other device with rounded guards to prevent sharp edges. This proof is directly contradictory to the District Court's Finding of Fact 14 [R. 50-51]. The prior art patents [Exhibits L-4, L-5, L-6, L-7 and L-8, R. 470, 474, 478, 484 and 490] all are for shaving instruments; they all teach that a smoother, more comfortable shave can be secured by rounding and providing guards on the sharp corners of the shaving instruments.

The patent to Peterson [Exhibit L-4] describes a guard rounding off the ends of the square-shaped common Gillette razor. This patent specifically provides that with this guard and rounded surface greater comfort can be secured [R. 472, ll. 74-79; R. 377].

The patents to Ventimiglia [Exhibit L-5] and to Friedman [Exhibit L-6] are for dry shavers and distinctly call for rounding off the edges to prevent injury [R. 377].

The patents to Szabo [Exhibit L-7] and to Dean [Exhibit L-8] are hair clippers and describe guard members to prevent scratching and cutting and provide "more comfort in its use" [R. 378].

The Supreme Court in *Charles Guidet v. City of Brooklyn*, 105 U.S. 550, held that to make a device "rougher" would not constitute invention. The Court therein held that, where it was obvious that a rougher device would be superior, it would be no invention to make the same rough. The corollary of this case is



the present one. It is obvious to anyone that a sharp edge in a shaving device would be dangerous and a round one would be safe. Therefore, it would be obvious to any mechanic to make rounded ends upon the shaving head.

The District Court in its Finding of Fact 14 [R. 50-51] held that none of the prior art exhibits “. . . describe or disclose or suggest a dry shaver wherein the principle, mode of operation, or results attained are equivalent to those of patent No. 2,228,768.” The error in this Finding is patent. Exhibits L-4, L-5, L-6, L-7 and L-8 all describe shaving devices; all describe methods and devices to round the corners of the shaving head. Even after making Finding of Fact 14 the District Court apparently saw the error contained in said Finding. As he did not hold that rounding a guard was invention, any possible interpretation of the District Court's decision is that it is not novel and not invention to provide rounded guard members. The Court held an entire set of claims of the patent invalid as lacking in invention.

“The remaining claims in suit do not, in my opinion, embody invention and are invalid because of indefiniteness.” [R. 412, Find. of Fact 20, R. 55; Conclusion of Law 3, R. 59.]

These claims 1, 11, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29 and 30 all describe a rounded guard member. If there were any invention in a rounded guard member all of these claims would be valid. The District Court held only claims 22, 23, 31 and 32 as valid and disclosing invention.

## POINT II.

### There Is No Invention in Hinging a Guard.

There is no invention in hinging a guard to a device. The plaintiff's attorney admitted that there was nothing patentable about hinging the guards to the handle of the Jones patent [R. 404].

"The Court: Do you contend that the hinging itself is a patentable feature?

"Mr. Harris: Oh, hinging by itself, there is nothing patentable about that. That is an old element."

Hinging is one of the oldest manners of attaching one device to another. However, the District Court seemed to believe that there was invention in attaching the guard by means of a hinge. The Court declared all of the claims that call for the rounded guard members to be *hinged* to be valid and all of the claims that did not include the hinge to be invalid for lack of invention and indefiniteness [R. 412].

There can be no other interpretation of the District Judge's decision than that a hinged guard was the invention of the patent in suit. This decision was made even after the admission of plaintiff's counsel that this did not constitute invention.

A case almost identical to the present case is *Monckmeier v. Erie Mfg. Co.*, 98 F.2d 369 (C.C.A. 7). In that

case the patent described a bumper or radiator guard which was pivotally hinged on a bumper of an automobile so that it would protect the radiator grill. The hinge was for a similar purpose to that of the patent in suit, to swing the device out of the way of a door on the automobile. When in use the bumper guard obstructed and kept the door from opening just as the guard elements of the patent in suit, when in use, prevent the removal of the channeled head. By hinging or pivoting the bumper guard and the guard element of the patent in suit, both of them could be swung out of the way so that the door of the car or the channeled head could be opened or removed. The Circuit Court there held that so hinging was not invention.

Another example of hinging a guard is the patent to Bernard [Exhibit L-19, R. 550]. This patent describes a paper punch which is similar to the Physical Exhibit N. The paper punches of both Exhibits N and L-19 have rounded guard members [*L* in Exhibit L-19]. They are hinged so that they can be opened. In both cases the guard is rounded off to provide a smooth surface to prevent it catching upon the sheets of paper. The guard receives the paper punchings and is opened by swinging on the pivots to empty the punchings [R. 373-375]. The purpose of this guard is the same as the "Whisk-its" used on all four Schick shavers which the District Court held to infringe the patent in suit [Exhibits 2, 3, 4 and 5;

Find. of Fact 18, R. 53-54]. The purpose of these "Whisk-its" is as described by the witness Gray:

"A. They are intended to catch the beard clippings that come from the inner portion of the shearing head.

Q. Are they relied upon, or do they function to prevent the razor from scratching or cutting? If the Whisk-its were not on the razor, I mean by that, will the razor head itself scratch or cut, if those Whisk-its are not present?

A. No, it will not. This shearing head is manufactured to be used on this late model; also on the earlier models that do not have whisk-its." [R. 360.]

The guard members described in the Jones patent will not function as a receptacle for beard clippings. The opening 35 would allow a substantial quantity of clippings to fall out. There is no reservoir space to receive clippings.

"Q. Would the guard members 20 referred to in that patent and illustrated in the drawings of that patent serve as beard or clipping catchers? A. No; they would not.

Q. Why not? A. Because they have no reservoir capacity and because they have a hole in them." [R. 360.]

### POINT III.

#### Providing a Dry Shaver With Rounded Guards Hinged on Its Handle Is Not a Patentable Combination.

Providing a dry shaver with rounded guards hinged on its handle is not a patentable combination. As there is no invention in rounding off the edges of a device or in hinging a guard to a device, there can be no invention in the combination of a hinged and rounded guard. The basic error in the District Court's decision is the determination that while rounding and hinging are not patentable when combined these two elements constitute invention [R. 412].

The mere selection of well-known elements and combining them in a device where they have the same mode of operation and same function is not invention.

*Mettler v. Peabody Engineering Corporation*, 77 F.2d 56 (C.C.A. 9);

*Eagle v. P. & C. Hand Forged Tool Co.*, 74 F.2d 918 (C.C.A. 9);

*Toledo Pressed Steel Company v. Standard Parts, Inc.*, 307 U.S. 350, 83 L.ed. 1334;

*Keszthelyi v. Doheny Stone Drill Co.*, 59 F.2d 3 (C.C.A. 9);

*Ray, et al., v. Bunting Iron Works*, 4 F.2d 214 (C.C.A. 9);

*Magarian v. Detroit Products Co.*, 128 F.2d 544 (C.C.A. 9).

Claim 22, for example, describes nothing but rounding a guard member and hinging the same. As shown *supra* plaintiff admitted that hinging is old and well-known in



the art and the Court has held that there is nothing new in rounding off a corner. To combine the two is nothing more than the selection of these two elements.

“\* \* \* ‘That the new combination accomplishes a better result does not alone evidence invention. “The union of the selected elements may be an improvement upon anything the art contains, but, if, in combining them, no novel idea is developed, there is no patentable invention, however great the improvement may be.” \* \* \* ’”

*Mettler v. Peabody Engineering Corporation,*  
*supra.*

#### POINT IV.

#### The Jones Patent Does Not Point Out and Distinctly Claim the Alleged Invention.

The Jones patent does not point out and distinctly claim the alleged invention. The patent law provides that an inventor to secure a patent must “\* \* \* particularly point out and distinctly claim” his invention (R.S.U.S. 4888, 35 U.S.C.A. § 33).

The Supreme Court in *General Electric Co. v. Wabash Appliance Corp.*, 304 U.S. 364, 368, and this Court in *Farmers’ Cooperative Exchange v. Turnbow*, 111 F.2d 728, 732 (C.C.A. 9), have held that this statute is violated when the inventor uses “conveniently functional language at the exact point of novelty.”

In the Jones patent all that is described concerning how to manufacture a guard which will give shaving comfort is the statement that the guard must be round. In three of the four claims held valid by the District Court,

22, 23 and 32, the statement is merely that the guards must be round. There is no description of how round or what part of the guard must be round. In claim 31 the inventor even failed to use the word "round" but just called his end guards "end flaps." The inventor on cross-examination was unable to explain how round the device must be to be covered by the patent.

“Q. That rounding applies to something different than beveling, and indicates some kind of a curvature, as you have used the term, is that so? A. The curvature, however, might be variable.

Q. Depending on what that curvature was, you might or you might not obtain the added comfort, the purpose directed in your patent, is that correct? A. Depending on what it was, yes. I don't know just how to answer that question. If you eliminate the sharp edge, you increase the comfort.

Q. How sharp does the edge have to be to be a sharp edge, as you are using that term, a 90-degree edge? A. It is a sharp edge if it is as sharp as the ends of this Schick shaver are right now, with the whisk-its in the open position, or removed.

Q. You are referring to Exhibit 3? A. Yes.

Q. Do you know whether or not those edges have been rounded off in the manufacture of that exhibit? A. Yes, there is a certain very minute rounding there.

Q. Why do you say it is minute? A. Because it isn't enough to get any comfort.” [R. 184-185.]

His interpretation of the word "round" meant to round the guard element until it gave a satisfactory shave.

“Q. So far as improving the comfort in the Schick razor is concerned, by what is shown in your patent in suit, that improvement is accomplished entirely by eliminating the sharp corners or points or sharp edges, is that correct? A. That is correct, provided that we mean by that the substitution of curved surfaces or rounded liberal radius.

Q. The value of that radius is in no case in the specifications of your patent in suit, is it? A. Well, yes.

Q. Will you turn to the specification and point to any place in the wording of the specification which specifies the value of that radius? At any time in this examination, Colonel Jones, that it will take a considerable time to arrive at an answer, because you have to examine the document, or something, and you would rather make that examination during the recess, to save the court's time, you can take the question under advisement, as we say in our calculating machine case. A. I am not sure that I can find an answer to that question immediately. I hardly think it ought to be necessary, because what I refer to is just what you doubtless recall. It says that the guards at this certain point are reasonably thick. That starts a curve more or less at a 90-degree segment of a circle.

Q. You can have just as little rounding on an edge or corner of a guard 20 having a thick end as with a thin end? A. These are rounded the maximum of that thickness.

Q. Does the specification so state? A. The drawings so show.

Q. Does the specification so state? A. Not in those words, no, sir.” [R. 181-182.]

This testimony is very relevant when it is added to the testimony of Jones in regard to his testimony as to Exhibit 3 where he stated that the edges of that razor were rounded at the ends but not sufficient to give shaving comfort:

“Q. You are referring to Exhibit 3? A. Yes.

Q. Do you know whether or not those edges have been rounded off in the manufacture of that exhibit?

A. Yes, there is a certain very minute rounding there.

Q. Why do you say it is minute? A. Because it isn't enough to get any comfort.” [R. 184-185.]

The definition of the word “round” in the Jones patent means that it is “round enough to give shaving comfort.” A statement that a thing is round enough to secure shaving comfort is not a description of the physical shape of the object but is a description of *what the object will do* if it is *round enough*. If it is round enough it will give shaving comfort; if it is not round enough it will not give shaving comfort.

The claims held valid do not describe a device other than with the word “round.” It is admitted by Jones that the earliest Schick razors had rounded ends and edges. There is no definition in the claims to distinguish the word “round” from the “round” ends and edges of the prior Schick shavers [Exhibits B, F, H and I]. The only distinction attempted by the inventor is that one gives comfort and the other does not.

“Q. Does your patent tell you to state how much more to round those surfaces than they had been rounded in the prior Schick devices? A. In no specific manner, I believe. It just teaches the advantage



of having a sufficient—in this effect of having a sufficient radius and rounding to accomplish the comfort.

Q. Do you know why those surfaces were rounded at all in the prior Schick razors? A. Well, of course, if they were sharp you would cut your finger on them and cut your face with them.

Q. Weren't they rounded to add comfort to the razor? A. Certainly, to a certain extent, of course, because otherwise you would really cut your face.

Q. All you proposed in so far as this point was concerned was to round them some more; is that correct? A. Enlarge them and round them some more so far as comfort of these long lateral edges are concerned; that is correct, sir.

Q. Does your patent state how much larger to make them? A. No, sir; not specifically in the specification." [R. 195-196.]

The Jones patent definitely does not distinguish between the earlier Schick razors and the present Schick razors in the matter of how round the surfaces are to be. The only definition of the word "round" is that if made round enough it will give shaving comfort. This is merely a functional statement. The only way of determining whether the device would infringe the patent would be to make a test to see if it were round enough to give shaving comfort or if it would give discomfort. As the comfort necessary to one person varies this would be a variable test and not particularly pointing out and distinctly claiming the invention as required in R.S.U.S. 4888.

*General Electric Company v. Wabash Appliance Corporation, supra;*

*Farmers Cooperative Exchange, Inc., v. Turnbow, et al., supra.*



## POINT V

### It Is the Duty of the Court in a Patent Case to Protect the Public From Invalid Patents.

The public is always a third party to an infringement suit and its rights may not be waived by the conduct of alleged infringers. It is the duty of the Court to consider the validity of a patent before considering the question of infringement.

“\* \* \* It must be as much the duty of the court in a patent case to protect the public against having to pay tribute to a patentee who is not in any true sense an inventor or discoverer, as to protect the patent rights of one who is a real inventor. See *Cuno Engineering Corporation v. Automatic Devices Corporation*, *supra* (page 92 of 314 U.S., 62 S.Ct. 37, 86 L.Ed. 58); *Muncie Gear Works, Inc., v. Outboard, Marine & Mfg. Co.*, 315 U.S. 759, 768, 62 S.Ct. 865, 86 L.Ed. 1171.” *Frank Adam Electric Co. v. Colt's Patent Fire Arms Mfg. Co.*, 148 F.2d 497, 502 (C.C.A. 8).

See also:

*Sinclair & Carroll Company v. Interchemical Corporation*, 325 U.S. 327, 89 L.Ed. 1644;

*Phillips Petroleum Co. v. Shell Development Co.*, 73 USPQ 28 (D.C.D. Del.).

## POINT VI

### Defendants' Accused Shavers [Exhibits 2, 3, 4 and 5] Should Not Be Held to Infringe Claims 22, 23, 31 and 32.

Defendants' accused shavers [Exhibits 2, 3, 4 and 5] materially differ in many respects from the "Hair Clipping and Shaving Device" described and claimed in the Jones patent.

In the specification of the patent in suit the shaving head 12 is provided with a lip 25 which is engaged by a lug 27 on the guards 20 to hold the head 12 upon the handle 10 [R. 426, col. 1, ll. 52-66]. The purpose expressed in the patent in attaching the head by means of the guard is to do away with the set screw normally used in electric shavers to prevent the loosening of the set screw and the accidental dropping of the shaving head [R. 425, col. 1, ll. 23-38].

None of the accused Exhibits 2, 3, 4 or 5 has the shaving head held in the handle by the guards. They all use a set screw to hold the head upon the handle. This use is claimed to be objectionable in the patent [R. 425, col. 1, ll. 23-38].

The patent in suit should be given a narrow interpretation to the exact device described; that is, guard elements that hold the head on the handle. Such a device has never been manufactured or sold by the plaintiff and there is no evidence anywhere in the record that any such device has ever been manufactured or sold.

"Q. Col. Jones, before you filed your patent application did you construct or have constructed a

razor embodying the improvements that are referred to in your patent in suit? A. No, sir.

Q. Have you ever? A. I have never." [R. 174.]

It is well settled law that a patent for a device which has never been manufactured and utilized is to be strictly construed. Compare the decision of this Court in *Cocks v. Rip Van Winkle Wall Bed Co.*, 28 F.2d 921, at 922:

"Another reason why the appellants' combination should not receive the construction due to a pioneer invention, but, on the other hand, should be strictly construed, is the fact that although the invention had been patented nearly ten years before the present suit was begun, it had not been utilized or placed upon the market but was still a paper patent. While the validity of a patent is not affected by its nonuser, *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405, 28 S.Ct. 748, 52 L.Ed. 1122, the nonuser has a bearing on its construction, and the courts are not disposed to give the same any broader scope than it is clearly required to be given, *Westinghouse Elec. & Mfg. Co. v. Toledo, P.C. & L.Ry. Co.* (C.C.A.), 172 F. 371; *Wesel Mfg. Co. v. Printing Mach. Co.* (D.C.), 218 F. 178; *Kestner Evaporator Co. v. American Evaporator Co.* (C.C.), 182 F. 844."

(See also *Henry v. City of Los Angeles*, 255 Fed. 769, at 780 (C.C.A. 9).

In lieu of applying this rule to the admittedly unused patent in suit, the court has applied directly the opposite rule. The District Court has held that the patent in suit "is entitled to be liberally construed and interpreted" [R. 53].

The patentee Jones in his specification dwells at length on the necessity and the advantages of holding the channeled head upon the handle by means of the guard and without the use of set screws [R. 425, p. 1, col. 1, ll. 23-38, ll. 55-59; R. 427, col. 1, ll. 24-39]. If there is any novelty in the Jones patent, the means for holding the channeled head in position is that novelty and as the defendants do not use any such device, they cannot infringe the patent in suit:

“Both the drawings and the specification of the appellee’s device show that both its lower and its upper waffle members are separately pivotally connected with its base or grill member, which three parts the patentee, as has been shown, expressly declares to be the principal parts of his invention. It is plain, therefore, that to eliminate either one of those parts is, as is said for the appellant, to destroy not only the structure but the law of operation of the device of the appellee. That a claim for a combination to be valid must be for an operative combination is clear. (Citing cases.)” *Pacific States Electric Co. v. Wright*, 277 Fed. 756, at 758 (C. C. A. 9).

Another material difference between defendants’ accused devices and the device described in the patent in suit is that the accused devices all have reinforcing members at the ends of the shaving head which rise above the shaving surface of the head and act as guards for that shaving head. The patent in suit does not describe such a reinforcing member [R. 363]. During the prosecution of the application for the patent in suit the patentee, Jones, in



distinguishing his invention from a device having such reinforcing member, said:

“The patent to Aaron does not show an end portion which MERGES into the upper face of the head because this end portion shown in Figure 4 extends upward beyond the face of the head and does not merge thereinto as is clearly shown in Fig. 1 and more clearly shown in Fig. 4.” [Paper No. 10, filed January 26, 1937, Exhibit K.]

The patent to Aaron [Exh. L-11], which was the patent referred to by the patentee, discloses a dry shaver which has a shaving head indicated and called a “cylindrical housing 105.” At the ends of this head (see Figure 4 at the upper left corner) are rounded projections. One of these is disclosed in the drawing at each end of the cutting head. The purpose of these projections is two-fold: (1) to act as a reinforcing bar as found by the court [Finding of Fact 16, R. 52], and (2) to permit rounding of the end of the head. These reinforcing bars were used on substantially all Schick shavers [Exh. 2, 3, 4, 5, B, F, H and I; R. 314-317]. The purpose of these reinforcing bars or elements is explained in the testimony of Gray: “In addition to guarding against damage, the reinforcing element is made thicker so that operations dealing with the rounding of the shearing head can be performed, if this reinforcer were extremely thin, as the shear plate is, it is not strong enough to stand up under the rounding operation.” [R. 356.] These reinforcing elements which constitute rounded guards were in use long before any purported invention by Jones [R. 356].



The claims of the patent in suit must, in view of the representation made to the Patent Office, be limited to a shaver that does not have these reinforcing elements and in which the guard merges into the flat surface of the shaving head and does not rise above the flat surface. Having secured a patent upon this narrow and specific statement after the rejection of broader claims [Paper No. 11, filed January 28, 1937, Exhibit K], the patentee cannot successfully assert that his claims cover what is rejected and cancelled.

*Lorraine v. Townsend*, 290 Fed. 54 (C.C.A. 9);

*Warren Bros. Co. v. Thompson*, 293 Fed. 745  
(C.C.A. 9);

*John I. Paulding, Inc. v. Leviton*, 45 F.2d 125,  
127 (C.C.A. 2);

*Johnson Furnace & Engineering Co. v. Western  
Furnace Co.*, 178 Fed. 819, 824 (C.C.A. 8);

*Macbeth v. Gillinder*, 54 Fed. 169, 170 (C.C. E.D.  
Penn.);

*Atkins v. Gordon*, 86 F.2d 595, 596 (C.C.A. 7);

*Beasley Power Mower Co., Inc. v. Pearce*, 38 F.  
Supp. 756, 759 (D.C. E.D. Wisc.).

Defendants' accused shavers do not have the guards merging into the flat surface of the head as stated by the patentee, Jones [Paper 10, Exhibit K]. They do extend "upward beyond the face of the head." Where a patent

depends for its novelty over the prior art upon a simple limited feature of construction, to infringe, this feature must be present in the defendant's device.

*Pacific States Electric Co. v. Wright, supra;*

*Standard Mirror Co. v. H. W. Brown, Inc.*, 113  
F.2d 379, 380 (C.C.A. 7).

The devices of the patent in suit were designed to obtain two results: (1) to hold the head upon the handle [R. 425, col 1, ll. 23-37], and (2) to provide shaving comfort [R. 427, col. 1, ll. 3-4]. A material difference between defendants' accused shavers and the patent in suit is that the "whisk-its" upon the accused devices do not accomplish either of these results but have a separate function, *i.e.*, to collect beard clippings [R. 360]. This function is not possible in the devices of the patent in suit. The holes in the guards 20 would permit the beard clippings to fall from them. In fact, during the prosecution of the application leading to the issuance of the patent, the inventor, Jones, attempted to secure an interference with patent No. 2,066,214 to Meyer [Exhibit L-2], owned by defendants and under which defendants manufacture the "whisk-its" [R. 369, 370]. The patent to Meyer describes the purpose of the "whisk-its" of defendants' accused shavers. That purpose is to collect the beard clippings and prevent them from "falling on to the skin or clothing of the one shaving." [R. 461, col. 1, ll. 3-10.] The Patent Office Examiner refused to grant such an interference after Jones had submitted original

claims 44, 45 and 46 directed to flaps closing the end of the head [Paper No. 21, Exhibit K, filed January 18, 1939]. This refusal was on the grounds that the application of Jones did not describe "closure flaps" which close the ends of the channeled head. Jones acquiesced in the final rejection of the claims [Paper No. 23, filed February 11, 1939, Exhibit K] by cancelling the rejected claim 46 and rewriting claims 44 and 45 as claims 31 and 32 of the patent as issued [Paper No. 30, filed April 3, 1939, Exhibit K]. Claims 31 and 32 were rewritten to describe "end flaps" and not to describe closure flaps. The function of "end flaps" is to hold the head on to the handle and to give shaving comfort. The cancellation and rewriting of the claims is an admission that Jones was not the inventor of devices for collecting beard trimmings.

*Lorraine v. Townsend, supra;*

*Warren Bros. Co. v. Thompson, supra;*

*John I. Paulding, Inc. v. Leviton, supra;*

*Johnson Furnace & Engineering Co. v. Western  
Furnace Co., supra;*

*Macbeth v. Gillinder, supra;*

*Atkins v. Gordon, supra;*

*Beasley Power Mower Co., Inc. v. Pearce, supra.*

## POINT VII.

The Court Below Erred in Making Its Finding of Fact 15 Rejecting the Testimony of the Witnesses Quasnovsky and Gray as to the Manufacture and Sale of Exhibits B, F, H and I.

The Court below erred in making its Finding of Fact 15 rejecting the testimony of the witnesses Quasnovsky and Gray as to the manufacture and sale of Exhibits B, F, H and I. The District Court decided that he did not believe any of the witnesses for the defendants:

“The Court: I am not going to believe the defendants’ witnesses in this case.” [R. 406.]

In Finding of Fact 15 [R. 52] the only reason given for not believing these witnesses is

“\* \* \* I have carefully observed the demeanor of both of these witnesses in open court and specifically find that the testimony and demeanor of both fail to carry any conviction \* \* \*” [R. 52.]

The District Court did not specify in what way the witnesses’ demeanor led him to believe that they were not trustworthy witnesses. The prejudice of the District Court that caused him to make Finding of Fact 15 is shown by the fact that substantially all of the testimony of both Quasnovsky and Gray was corroborated by documentary exhibits such as Exhibit G and physical exhibits such as Exhibits B, F, H and I. The testimony of the witnesses Quasnovsky and Gray as to the date of manu-

facture of Exhibit B was corroborated by the plaintiff who testified that Exhibit B was “unmistakably an earlier model than the one I had” and used prior to the conception of the alleged invention of the patent in suit [R. 114-115, 192-193].

No evidence was introduced by plaintiff contrary to the testimony of Quasnovsky and Gray that all Schick shavers manufactured prior to any conception of the alleged invention had the edges, ends and corners rounded off to provide shaving comfort. There was no attempt by the plaintiff to introduce any of these early Schick razors showing sharp corners and the plaintiff was unable to produce a razor having sharp corners; in fact, he testified that the razor he used prior to his conception of the invention was in his opinion sharp but the corners and edges were rounded off [R. 195].

Finding of Fact 15 should be of no legal significance. It is arbitrary and not in accord with the legal requirements. As said in *Pittsburgh S. S. Co. v. National Labor Relations Board*, 167 F.2d 126, 129, (C.C.A. 6):

“Courts have recognized that it is contrary to human experience that all witnesses on one side of a case are falsifiers while those on the other side are all truthful, and this conclusion must be obvious to anyone with even a minimum experience as a trier of facts.”



### POINT VIII.

**The District Court Erred in Making Finding of Fact 26 That the Infringement of Defendants Was “Conscious, Deliberate, Wilful and Wanton.”**

The District Court has found in Finding of Fact 26 [R. 59] that the defendants have infringed the patent in suit in a conscious, deliberate, wilful and wanton manner. There is no evidence in the record of any character to sustain such a finding nor can any inference be made from any of the evidence that any infringement was conscious, deliberate, wilful and wanton. Such a finding is necessary to enable the Court to assess punitive damages as provided in *R.S.U.S. 4921, 35 U.S.C.A., § 70*.

The courts have uniformly held that conscious, deliberate, wilful and wanton infringement upon which punitive damages can be predicated can only be found when the infringement was made under no claim of right, that is, the infringer did not have a debatable defense either as to infringement or validity. There is no claim in this case that the defense of validity and infringement asserted by the defendants herein was a sham defense. The District Court held a large plurality of the claims of the patent in suit invalid for lack of invention and indefiniteness [R. 55]. The District Court also stated that his decision was very doubtful and that it was a debatable question whether or not claims 22, 23, 31 and 32 were valid [R. 412]. Certainly the defendants in this case have proved, and the District Court has recognized that the defense herein of invalidity and non-infringement were not sham defenses and had substance. Where the District Court finds such facts it is improper to hold

that the infringement of claims that are debatable as to their validity is conscious, deliberate, wilful and wanton.

“To question the validity of a patent does not, of itself, constitute wilful infringement. *General Motors Corporation v. Dailey*, 6 Cir., 93 F.2d 938, 942. If honestly mistaken as to a reasonably debatable question of validity, an infringer should not be made to smart in punitive damages. Compensatory damages constitute adequate remuneration for invasion of a patentee’s property rights, unless the refusal of the infringer to bow to the presumptive validity of an issued patent is consciously wrongful.”

*Enterprise Mfg. Co. v. Shakespeare Co.*, 141 F.2d 916, 920-921 (C.C.A. 6).

See also:

*General Motors Corporation v. Dailey*, 93 F.2d 938, 942 (C.C.A. 6);

*Brown Bag Filling Mach. Co. v. Drohen*, 175 Fed. 576 (C.C.A. 2);

*Rockwood, et al. v. General Fire Extinguisher Co., et al.*, 37 F.2d 62, 66 (C.C.A. 2);

*Egry Register Co. v. Standard Register Co.*, 23 F.2d 438, 443 (C.C.A. 6);

*Creagmile, et al. v. John Bean Mfg. Co., et al.*, 32 F. Supp. 646, 648 (D.C.S.D.Cal.).

The actual fact in this case is that there was nothing conscious, deliberate, wilful or wanton in the alleged infringement of the defendants. The defendants were manufacturing and selling the devices herein held to infringe for several years prior to the issuance of the patent in suit and to any actual knowledge of the patent in suit

[Exhibit 8, R. 431 and R. 369-370]. Defendants were manufacturing and selling the devices held to be an infringement under patents owned by the defendants [R. 369, 371]. These patents are the patent to Meyer, No. 2,066,214 [Exhibit L-2, R. 458, 369] and to Thomas No. 2,275,022 [Exhibit L-3, R. 463, 371]. The function of the “whisk-its” on the accused devices is not the function of the guards described in the patent in suit, that is, to add to the comfort and to hold the shaving head on the handle. The “whisk-its” are intended to catch the beard clippings [R. 360]. The patent in suit does not provide a device for catching beard clippings [R. 360].

### Conclusion.

We respectfully submit that the District Court has clearly erred in sustaining the validity of claims 22, 23, 31 and 32 of the patent in suit and in holding them infringed by defendants’ shavers like Exhibits 2, 3, 4 and 5. Accordingly, we urge the Interlocutory Judgment below be reversed as to paragraphs 1, 4, 5, 6, 7, 8, 9, 10, 11 and 13 thereof, and that the District Court be directed to dismiss plaintiff’s Complaint with costs to defendants.

Respectfully submitted,

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No. 11854

IN THE  
United States Circuit Court of Appeals  
FOR THE NINTH CIRCUIT

---

RALPH E. JONES,

*Cross-Appellant,*

*vs.*

SCHICK SERVICE, INC., a corporation, and SCHICK, INC.,  
a corporation,

*Cross-Appellees.*

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OPENING BRIEF OF CROSS-APPELLANT.

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## OPENING BRIEF OF CROSS-APPELLANT.

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### I.

#### STATEMENT OF JURISDICTION.

Jurisdiction of the District Court in this action as to the patent claim alleged is founded upon the patent statutes of the United States [Combined Original and Supplemental Complaint, Tr. 8]. This stands admitted by reason of defendants' failure to deny it. Jurisdiction of the District Court as to the contract claim is founded upon the fact that the matter in controversy exceeds, exclusive of interest and costs, the value of \$3,000.00 and is between citizens of different states [Combined Original and Supplemental Complaint, Tr. 10], which is specifically admitted by defendants [Tr. 16].

Jurisdiction of the District Court is therefore founded upon Title 28, Sections 41 (1) and 41 (7) of the United States Code, and jurisdiction of this Court is founded upon Title 28, Section 225 of the United States Code.

II.

STATEMENT OF THE CASE.

A. The Issue.

The Combined Original and Supplemental Complaint sets forth two alternative claims for relief:

(a) A claim for relief for infringement of United States Letters Patent No. 2,228,768, issued to plaintiff, Colonel Ralph E. Jones, on January 14, 1941 [Tr. 8-9]; and

(b) A claim for relief for an accounting and royalties on an oral contract between plaintiff and defendant Schick, Inc., exclusively licensing said defendant under said patent No. 2,228,768 [Tr. 9-12].

Such claims for relief are pleaded in the alternative, and it is conceded by plaintiff that he cannot have judgment in his favor on both claims, as they are inconsistent. No election was required by the District Court between the inconsistent claims for relief in view of Rule 54 (c) of the Rules of Civil Procedure [Tr. 60].

The District Court found the existence of such oral license agreement between plaintiff and defendant Schick, Inc. [Tr. 55-57], but held that such contract was unenforceable because within the Statute of Frauds (Section 1624 of the California Civil Code, and Section 1973 of the California Code of Civil Procedure) because it could not have been fully performed within one year and, consequently, dismissed plaintiff's second claim for relief [Tr. 58, 61, 65]. This is one phase of plaintiff's present cross-appeal, and is discussed hereinafter.

The District Court also held that claims 1, 11, 26, 27, 28, 29 and 30 of said patent No. 2,228,768 are invalid

because of indefiniteness (presumably in view of Section 33, Title 35, of United States Code Annotated; Revised Statutes, §4888) [Tr. 59, 62], and this is the second phase of plaintiff's cross-appeal and is also discussed hereinafter.

## **B. The Facts.**

### **(1) CONTRACTUAL RELATIONS OF THE PARTIES.**

Plaintiff Ralph E. Jones is a retired colonel of the United States Army, having been retired from active duty in 1939 for physical disability [Tr. 112]. His patent in suit, No. 2,228,768, was issued on January 14, 1941, on an application filed on December 10, 1935 [Tr. 48].

Defendant Schick, Inc. (formerly named Schick Dry Shaver, Inc.), is a Delaware corporation [Tr. 44], and defendant Schick Service, Inc., is also a Delaware corporation, and is a wholly owned subsidiary of defendant Schick, Inc. [Tr. 43].

The patent in suit, No. 2,228,768, covers certain improvements in electric dry shavers [Tr. 48]. Defendant Schick, Inc., is a manufacturer of electric dry shavers, and sells the same to the public through defendant Schick Service, Inc., and otherwise.

The patent in suit, No. 2,228,768, issued on January 14, 1941. Almost immediately Mr. Hicks, patent counsel for Schick, Inc., noticed the patent in suit and called it to the attention of Mr. Merrick, vice-president and general counsel for defendant Schick, Inc. [Tr. 261]. Mr. Merrick, through a Los Angeles attorney, immediately arranged for a meeting with Colonel Jones at the latter's home in San Diego [Tr. 262], and traveling by all modern forms of transportation, "airplane, train, Super Chief, automo-

bile," Mr. Merrick went to San Diego and met there with Colonel Jones on January 24, 1941 [Tr. 261-262]. Before making this trip, Mr. Merrick was authorized by Schick, Inc., to purchase the patent in suit outright for \$50,000.00 in cash [Tr. 124-125, 261, 264] and, at the first meeting with Colonel Jones, Mr. Merrick suggested such an outright purchase but Colonel Jones declined this offer, stating that he wished to license and not sell his patent [Tr. 125]. Mr. Merrick stated that he had no authority to negotiate such a license and that Mr. Cordiner, president of defendant Schick, Inc., was in Hawaii on a vacation and would have to be present to negotiate such a license, and that he would attempt to arrange such a meeting between the plaintiff and Mr. Cordiner [Tr. 126, 264]. This was done.

A further meeting was held in Los Angeles on January 29, 1941, between plaintiff, Mr. Cordiner (president of defendant Schick, Inc.), and Mr. Merrick (its vice-president and general counsel) [Tr. 127, 265-266]. The District Court held that on that date plaintiff and defendant Schick, Inc. (through its president, Mr. Cordiner), entered into an oral contract by the terms of which plaintiff granted to Schick, Inc., an exclusive license under patent No. 2,228,768, in suit, for its life, and Schick, Inc., agreed to pay to plaintiff the sum of \$30,000.00 in cash as an advance against future royalties, and agreed to pay to plaintiff a royalty of  $1\frac{1}{2}\%$  of its sales price on all dry shavers sold by it under the patent until the total royalties so paid should total \$250,000.00, following which the royalty rate would automatically reduce to 1% on all such shavers thereafter sold during the life of the patent [Tr. 55-56]. The District Court found that at the time of making such oral contract, all of the terms thereof were



agreed to unconditionally by both parties, and that it was not conditioned upon any subsequent agreement as to further terms, or upon being reduced to writing, or otherwise [Tr. 56].

Immediately after the making of such oral agreement between the parties, Mr. Cordiner suggested that Colonel Jones could make any further suggestions as to further terms which he might wish by letter, and that upon receipt thereof Schick, Inc., would prepare a written draft for signature by the parties [Tr. 131, 272]. The next day, on January 30, 1941, he confirmed the oral agreement by a letter [Plaintiff's Exhibit 9] and with it sent a draft of an agreement which he had himself prepared [Tr. 255]. In answer to this, Mr. Merrick wrote an inquiry as to one of the terms [Plaintiff's Exhibit 10], and Colonel Jones answered this on February 10, 1941 [Plaintiff's Exhibit 11].

At the time of such oral agreement on January 29, 1941, Colonel Jones had two patent applications relating to dry shavers pending before the Patent Office, and had advised the representatives of Schick, Inc., of this fact, although he had not disclosed to them or had been asked, or had agreed to so disclose, any of the contents of such applications prior to the agreement.

By letter dated February 17, 1941, Mr. Merrick again wrote to Colonel Jones, this time requesting that Colonel Jones send to Schick, Inc., copies of plaintiff's pending applications [Plaintiff's Exhibit 12], and by letter dated February 20, 1941 [Plaintiff's Exhibit 13], plaintiff sent such applications to defendant in compliance with its request. The District Court found that such pending patent applications were secret and confidential and not open to the public, and that plaintiff sent copies thereof to Schick,



Inc., at its inducement and in reliance upon said oral contract, such reliance being induced by Schick, Inc.; that plaintiff would not have sent such copies to Schick, Inc., had he not relied upon such oral contract; and that by sending such pending patent applications to defendant Schick, Inc., plaintiff changed his position to his detriment and could not be put back into his original position after such disclosure [Tr. 57-58].

In addition, the District Court found that from January 29, 1941, until at least March 14, 1941, relying upon the acts and statements of defendant Schick, Inc., plaintiff believed that he had a binding and enforceable agreement with it, and in reliance thereon, plaintiff throughout such period refrained from negotiating with any other person or company with respect to his patent No. 2,228,768, here in suit, and thereby suffered further detriment [Tr. 58].

By letters dated March 13, 1941 [Plaintiff's Exhibit 14, Defendant's Exhibit C], defendant Schick, Inc., terminated all further dealings between the parties, and thereafter continued to manufacture and sell dry shavers embodying the invention defined by patent No. 2,228,768 without paying royalty thereon to plaintiff, which it is still doing.

## (2) DEFINITENESS OF CLAIMS.

The District Court held that claims 1, 11, 26, 27, 28, 29 and 30 are invalid because of indefiniteness. Such claims are quoted as follows:

"1. A hair clipping device of the character described, including an outer transversely slitted channeled head and a cutter reciprocating within the channel of the head, the head at its longitudinal outer

edges being transversely rounded, the transversely rounded surfaces merging into the outer surface of the head, and elements disposed at the ends of the channeled head, each having a longitudinally rounded surface at its extremity merging into the outer surface of the head at the ends thereof."

"11. A hair clipping device including a handle, a transversely slitted channeled head mounted on the handle and having a flat outer surface, a cutter reciprocating within the channel of the head, and elements carried by the handle and disposed at the ends of the head, each having a rounded surface at its extremity merging into the outer surface of the head at the respective ends thereof."

"26. A hair clipping device including a handle, an outer hollow cutting head having an outer face and side faces, a movable cutter disposed within the outer head, and guards mounted on the ends of the hollow outer head, each guard having a longitudinally and transversely rounded outer face merging into the outer face and the side faces of the cutter head whereby to provide rounded ends and corners for said head extending flush with the outer and side faces thereof.

"27. A hair clipping device including a handle, an outer hollow cutting head having an outer face and side faces, a movable cutter disposed within the outer head, and guards mounted on the ends of the hollow outer head, each guard having a longitudinally and transversely rounded outer face merging into the

outer face and the side faces of the cutter head whereby to provide rounded ends and corners for said head extending flush with the outer and side faces thereof, each guard being relatively thick at a point coincident with the inner end of the longitudinally curved portion of its face.

“28. A hair clipping device including a handle, an outer hollow cutting head having an outer face and side faces, a movable cutter disposed within the hollow head, guards disposed on the ends of the hollow head, each guard having a longitudinally and transversely rounded outer face merging into the outer face and the side faces of the cutter head whereby to provide rounded ends and corners for said head extending flush with the outer and side faces thereof, and means for detachably locking the cutting head to the handle.

“29. A hair clipper of the character described including a handle, an outer hollow cutting head having an outer transversely slitted face and side faces, a movable cutter disposed within the hollow head, guards mounted on the head and having a longitudinally and transversely rounded outer face merging into the slitted face and the side faces of the cutter head whereby to provide rounded ends and corners for said head extending flush with the outer and side faces thereof, and means detachably holding the head in place upon the handle.

“30. A hair clipper including a handle, a hollow cutting head disposed on said handle and having a transversely slitted wall and side walls and having a base resting flat against the end of the handle, guards

disposed at the end of the cutting head, each guard being relatively thick at its outer end and transversely and longitudinally curved to merge into the outer face of the slitted wall and the outer faces of the side walls of the head whereby to provide rounded ends and corners for said head extending flush with the slitted wall and outer faces of the side walls thereof, one of said guards at its inner end being attached to the handle, and means for holding the cutting head in place on said handle.”

The defendants offered no evidence whatever even tending to support the finding of “indefiniteness” as to either the disclosure or claims of patent No. 2,228,768 in suit.

On the other hand, defendants offered into evidence as Defendants’ Exhibit A a model of the dry shaver disclosed in patent No. 2,228,768 in suit, which was made under the direction of Mr. Gray, chief engineer for defendant Schick, Inc., and which Mr. Gray testified correctly illustrates the dry shaver disclosed in the patent in suit [Tr. 361]. The District Court found that the evidence wholly failed to show that Mr. Gray had any difficulty whatever in understanding the disclosure or claims of the patent in suit adequately to make the model, Defendants’ Exhibit A [Tr. 50].

Although requested to do so, the District Court made no finding or conclusion of law as to whether any of said claims 1, 11, 26, 27, 28, 29 and 30 are infringed by any of defendants’ devices in suit, exemplified by Plaintiff’s Exhibits 2, 3, 4 and 5.



III.

**SPECIFICATION OF ERRORS.**

The asserted errors of the District Court that will be relied upon by cross-appellant-plaintiff on this cross-appeal are as follows:

(1) The District Court erred in Finding of Fact 20, and Conclusion of Law 3, and in its Judgment, in finding and concluding that claims 1, 11, 26, 27, 28, 29 and 30 of patent No. 2,228,768 are invalid because of indefiniteness.

(2) The District Court erred in Conclusion of Law 6, as a matter of law, in concluding that the oral patent license contract between plaintiff and defendant Schick, Inc., was not fully or otherwise performed by plaintiff so as to take the contract out of the operation of the Statute of Frauds.

(3) The District Court erred in Conclusion of Law 6, as a matter of law, in concluding that defendant Schick, Inc., was not estopped from asserting the invalidity of said oral contract under the Statute of Frauds.

(4) The District Court erred in rendering judgment for defendant Schick, Inc., upon plaintiff's second claim for relief upon the contract.



IV.

**SUMMARY OF THE ARGUMENT.**

A. The District Court should have sustained plaintiff's second claim for relief upon said oral contract, because said contract was fully performed and executed by plaintiff and nothing remained to be done thereunder but the payment of royalties by defendant Schick, Inc. Under the law, this removes the oral contract from the operation of the Statute of Frauds.

B. The District Court should have sustained plaintiff's second claim for relief upon said oral contract, because in reliance upon the contract and at the inducement of defendant Schick, Inc., plaintiff changed his position to his detriment, and therefore, under the law, defendant is equitably estopped to rely upon the Statute of Frauds as a defense to plaintiff's action on the contract.

C. The District Court should have held claims 1, 11, 26, 27, 28, 29 and 30 of patent No. 2,228,768 in suit definite within the meaning of 35 U. S. C. A., §33 (R. S., §4888) and valid.

V.

THE ARGUMENT.

- A. The District Court Should Have Sustained Plaintiff's Second Claim for Relief on Said Oral Contract, Because Said Contract Was Fully Performed by Plaintiff and Nothing Remained to Be Done Thereunder but the Payment of Royalties by Defendant Schick, Inc.

The District Court found that on "Jan. 29, 1941, plaintiff and defendant Schick, Inc., entered into an oral contract by the terms of which plaintiff granted to said defendant an exclusive license under patent No. 2,228,768 for the life of that patent." [Tr. 55-56].

It is submitted that plaintiff upon granting to defendant the exclusive license fully performed all of his obligations under the contract and that nothing whatever remained to be done to complete the execution of the contract but the payment of money by defendant Schick, Inc., and that as a matter of law this places the oral contract outside of the operation of the Statute of Frauds.

It is well settled in California and elsewhere that the Statute of Frauds applies to executory contracts only, and that where the agreement has been fully performed by one party within a year of its making, it is not within the purview of the Statute. Moreover, the fact that the other party's performance will be required over a period in excess of a year is immaterial. The applicable California rule is stated in *Hellings v. Wright*, 29 Cal. App. 649, 656 (1916), as follows:

"As a matter of fact, plaintiff here performed his contract within the year, and so nothing was left but the payment of the consideration. 'When a contract

has been so far performed that nothing remains to be done but the payment of the consideration for the performance, the fact that the contract does not require the payment within a year furnishes no defense to an action for the price.' (20 Cyc. 296 (note 13 and cases there cited).)"

To the same effect see: *Dutton v. Interstate Inv. Corp.*, 119 P. (2d) 138, 141, 19 Cal. (2d) 65 (1941); *Wehner v. Bauer*, 160 Fed. 240, 244 (C. C. Cal. 1908); Restatement, Contracts, Sec. 198; 2 Williston, Contracts, Rev. Ed., 1936, Sec. 504, p. 1471.

Under the rule stated above, it has long been held specifically that an oral patent license agreement is not within the Statute of Frauds where the grant of the license has constituted complete performance by the patent owner, and all that remained to be done was the payment of money by the licensee. See: *Emerson v. Universal Products Company, Inc.*, 35 Del. 277, 162 Atl. 779 (Del. Sup. Ct. 1931); *Price v. Smith Manufacturing Company*, 53 Cal. App. 303, 200 Pac. 53 (1921); *Smith v. Neale*, 2 C. B. (N. S.) 67 (1857).

In upholding recovery under an oral patent license contract, the court in the *Emerson* case, *supra*, after a scholarly review of the applicable English and American decisions on the Statute of Frauds, concluded at page 781:

"The Statute of Frauds, we think, was only intended to operate upon agreements executory in character. The consideration moving to and the obligations assumed by each party made the agreement executory and when these obligations could not be performed within a year, the Statute of Frauds required that they be reduced to writing to be binding upon a party. When, however, the agreement contemplates one party immediately, fully and completely comply-

ing with his entire obligation and he does so immediately comply and there remains nothing to be done by the other but the payment of money pursuant to the agreement, then the agreement has ceased to be executory in character and has become executed.  
. . . .”

It is therefore respectfully submitted that the oral patent license contract between plaintiff and defendant Schick, Inc., is not within the Statute of Frauds, and that the District Court erred in refusing to award judgment to plaintiff on his second claim for relief.

**B. The District Court Should Have Sustained Plaintiff's Second Claim for Relief Upon Said Oral Contract, Because in Reliance Upon the Contract and at the Inducement of Defendant Schick, Inc., Plaintiff Changed His Position to His Detriment, and Therefore, Under the Law, Defendant Is Equitably Estopped to Rely Upon the Statute of Frauds as a Defense to Plaintiff's Action on the Contract.**

It is submitted that defendant Schick, Inc., is equitably estopped as a matter of law to raise as a defense the Statute of Frauds, the pertinent statutory provisions being as follows:

“§1624. (Statute of Frauds.) Contracts that must be written. The following contracts are invalid, unless the same, or some note or memorandum thereof, is in writing and subscribed by the party to be charged or by his agent:

“1. An agreement that by its terms is not to be performed within a year from the making thereof.  
. . . .”

California Civil Code, §1624.



“§1973. What agreements must be in writing. In the following cases the agreement is invalid, unless the same or some note or memorandum thereof be in writing, and subscribed by the party charged, or by his agent. Evidence, therefore, of the agreement, cannot be received without the writing or secondary evidence of its contents.

“1. An agreement that by its terms is not to be performed within a year from the making thereof.  
. . .”

California Code of Civil Procedure, §1973.

The District Court found: that *at the inducement of defendant* Schick, Inc., and in reliance upon the existence of said oral license contract, which reliance was also *induced* by Schick, Inc., plaintiff mailed copies of his two pending patent applications to Schick, Inc.; that plaintiff had never theretofore disclosed in whole or in part the contents of said pending patent applications to Schick, Inc.; that at that time such applications were secret and confidential; that plaintiff would not have sent copies of said pending applications to Schick, Inc., had he not relied on said oral contract; that by sending such applications to Schick, Inc., plaintiff changed his position to his detriment and could not be put back into his original position after such disclosure [Tr. 57-58].

The District Court also found that for a substantial period of time plaintiff, at the *inducement* of Schick, Inc., and in reliance upon the existence of said oral contract, which reliance was *induced* by Schick, Inc., refrained from negotiating with any other person or company with respect to patent No. 2,228,768 in suit, and thereby suffered further detriment [Tr. 58].



In view of the foregoing findings, it is submitted that as a matter of law defendant Schick, Inc., is equitably estopped to raise or rely upon the Statute of Frauds as a defense to plaintiff's claim for relief on the oral contract, and that the District Court's holding to the contrary is erroneous.

It is a well established legal doctrine, particularly in California, that where one party to an oral contract changes his position to his detriment, in reliance upon the oral contract, the other party is equitably estopped to raise the Statute of Frauds as a defense in an action on the contract by the first party. The general doctrine is stated in *Wilson v. Bailey*, 8 Cal. (2d) 416, 65 P. (2d) 770 (1937), as follows:

"The vital principle is that he who by his language or conduct leads another to do what he would not otherwise have done shall not subject such person to loss or injury by disappointing the expectations upon which he acted. Such a change of position is sternly forbidden. It involves fraud and falsehood, and the law abhors both."

This doctrine is also stated and applied in the cases of *Carpy v. Dowdell*, 115 Cal. 677, 47 Pac. 695 (1897); *Notten v. Mensing*, 3 Cal. (2d) 469, 45 P. (2d) 198 (1935); *Heffernan v. Davis*, 24 Cal. App. 295, 140 Pac. 716 (1914); *Keller v. Richbart*, 130 Cal. App. 296, 20 P. (2d) 55 (1933); *Feeny v. Clapp*, 126 Cal. App. 729, 15 P. (2d) 178 (1932); *Flint v. Giguere*, 50 Cal. App. 314, 195 Pac. 85 (1920); *Taylor v. Odell*, 50 Cal. App. (2d) 115, 122 P. (2d) 919 (1942); *Grant v. Long*, 33 Cal. App. (2d) 725, 92 P. (2d) 940 (1939).

It has also been held specifically that such equitable estoppel applies to oral patent license agreements. See:

*Price v. Smith Manufacturing Co.*, 53 Cal. App. 303, 200 P. 53 (1921).

It is to be noted that in the cases cited above the equitable estoppel is raised as a matter of law, *even though the change of position involved was not directly solicited by the party sought to be charged*. The facts in the present case are therefore much stronger in favor of plaintiff than in the cited cases, because *in this case the change of position by Colonel Jones was at the direct request of the defendant Schick, Inc.*

It is submitted that the action of the defendant Schick, Inc., trading on plaintiff's belief in the existence of the royalty contract, inducing plaintiff to reveal to it confidential and secret information contained in his pending patent applications (which plaintiff would not otherwise have done) is morally indefensible. It is submitted that ordinary business ethics required that, if the defendant corporation did not intend to abide by its royalty contract with plaintiff, it should have so notified him at the time that it requested him to make such disclosures. This defendant wholly failed to do so.

It is therefore submitted that plaintiff's disclosure of his two secret and pending patent applications to defendant Schick, Inc., and the fact that he forebore negotiating with others with regard to his patent No. 2,228,768. both at defendant's inducement, and in reliance upon the enforceability of his oral contract, constituted such a change of position by plaintiff as to equitably estop defendant Schick, Inc. from relying upon the Statute of Frauds as a defense.

The only reason, apparently, that the District Court refused to raise an equitable estoppel against defendant Schick, Inc. to rely upon the Statute of Frauds was that

the "patent applications Serial Nos. 314,287 and 316,154 [the applications that Colonel Jones sent to Schick, Inc. at its request] were not solely referable to the oral contract of January 29, 1941, *since it was not one of the terms or provisions of said oral contract that plaintiff would submit said patent applications or disclose them to defendant Schick, Inc.*" [Tr. 58]. In other words, the District Court took the view that there could not be any "equitable estoppel" without "part performance," and that the doctrine of "equitable estoppel" is merely one phase of the doctrine of "part performance." This, we submit, was erroneous. The correct rule is, we submit, that "part performance" is merely one phase of the general doctrine of "equitable estoppel." *See*: 49 Am. Jur., §§420-422, 582. That the change of position involved need not be in part performance of the oral contract is plain from the above and other decisions. Thus, in *Matzger v. Arcade Building & Realty Co.*, 80 Wash. 401, 141 Pac. 900, L. R. A. 1915A 288, the Court held that where a lessee under an oral lease purchased a stock in trade in reliance upon the existence of the lease, although not required to do so by the terms of his lease, and thereby changed his position to his possible detriment, the lessor was equitably estopped to rely upon the Statute of Frauds to defeat the oral lease.

It is submitted that such an equitable estoppel should be raised whether or not the change of position relied upon is in part performance of the contract provided, of course, that the change of position is: (a) detrimental; (b) is in reliance upon the enforceability of the oral contract; and (c) is at the inducement of the party sought to be charged. The facts in the present case clearly provide all of these requirements.

It is therefore respectfully submitted that by reason of the change of position of Colonel Jones at the inducement of defendant Schick, Inc., and in reliance upon the existence of the oral license contract, the defendant is equitably estopped to raise the Statute of Frauds as a defense to plaintiff's action on the oral license contract. To hold otherwise would plainly work a fraud upon plaintiff, and actually make the Statute of Frauds an instrument of fraud. Such is not its purpose.

**C. The District Court Should Have Held Claims 1, 11, 26, 27, 28, 29 and 30 of the Patent in Suit Definite and Valid as a Matter of Law.**

Although the District Court found such claims invalid for indefiniteness [Tr. 55, 59], no reasons were given by the District Court for such a general finding. On the other hand, the District Court specifically found:

"From the disclosure of patent No. 2,228,768, any man skilled in the art of dry shavers would immediately know the extent of such merging to be provided to accomplish the objects of the patent, and such term, when viewed in the light of the specification, is sufficiently definite and precise to provide such knowledge." [Finding 12, Tr. 50.]

The statute relating to definiteness of claims in a patent is 35 U. S. C. A., §33 (R. S., §4888), the pertinent portion of which is as follows:

" . . . and he [the inventor] shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery."

It is submitted that claims 1, 11, 26, 27, 28, 29 and 30 are all fully definite within the meaning of 35 U. S. C.



A., §33 (R. S., §4888), because they all distinguish from the prior art of record by structural limitations which are perfectly plain and definite. It is submitted that such claims on appeal are in nowise vague or indefinite.

Claim 1 of the patent in suit covers a combination of structural elements in a dry shaver (a "hair clipping device"), and includes the following:

" . . . and elements disposed at the ends of the channeled head, each having a longitudinally rounded surface at its extremity merging into the outer surface of the head at the ends thereof."

Such "elements," of course, are the hinged end guards 20 clearly shown in the drawing of the patent in suit, and plainly described in its specification. The District Court has held that the term "merging," as used in claim 1, is fully definite and precise (see quotation, *supra*). Mr. Gray, defendants' chief engineer, had no difficulty in making a model [Defendants' Exhibit A] of the device of the patent in suit, and he is conceded to be a "man skilled in the art." This quoted clause of claim 1 plainly defines the *form* and *position* of the outer surface of each of the guard elements. It is therefore submitted that claim 1 of the patent in suit, when viewed in the light of the drawing and specification, fulfills the requirement of the statute in that it distinctly claims the "part, improvement, or combination" which the patentee claimed as his invention therein.

Claim 11 of the patent in suit is submitted to be definite for the same reasons as advanced above with regard to claim 1. In addition, claim 11 specifically requires that the "elements" be "*carried by the handle*," which is an important distinction from the prior art and which



is specific to structure. No dry shaver or, in fact, any type of clipping device is shown in the prior art, which has such elements *carried by the handle*. The importance of this feature is clearly established by the fact that Schick, Inc. has always mounted its guard elements ("Whiskits") on the handle, and not on the cutting head [Tr. 390], even though it owns a patent to Meyer [Defendants' Exhibit L-2] covering mounting the guards on the cutting head. This limitation that "elements" are "*carried by the handle*" does not render the claim functional as it does not describe any *function* which the element performs but on the contrary distinctly defines the *position* of the element.

Claims 26, 27, 28, 29 and 30 of the patent in suit are all submitted to be fully definite as to the novel structure involved for the same reasons advanced above with regard to claim 1. In addition, each of these claims specifies that the cutting head has an *outer face* and *side faces* and that the guards ("elements") are also rounded transversely so as to *merge into the side faces*. As the District Court has found that the term "merging" is fully definite and precise, and since the prior art fails to suggest any such structure, it is submitted that all of such claims are clearly definite and valid by reason of such additional structure not included in claim 1. In addition, claims 27 and 30 provide that each guard is *relatively thick* at its inner end (*i.e.*, that it is thicker at its inner end than at its outer end), which is an additional structural limitation not suggested by the prior art.

We do not know the reason why the District Court held the appealed claims fatally indefinite. The courts have repeatedly refused to apply any such general holding of indefiniteness, and, in fact, have repeatedly held claims of the same general type here on appeal to be valid

against the contention of "indefiniteness." The doctrine of "indefiniteness" has been refused application recently by this Court in *Ralph N. Brodie Co. v. Hydraulic Press Mfg. Co.*, 151 F. (2d) 91 (C. C. A. 9th, 1945), in which this Court held claims definite and valid, even though they contained a number of "functional terms." Also see: *Research Products Co. v. Tretolite Co.*, 106 F. (2d) 530 (C. C. A. 9th, 1939). Other recent decisions to the same effect are indicated by the following quotations.

" . . . The claims of a patent are always to be interpreted in the light of its specifications and drawings. This canon of construction is as old as the patent law itself and finds its latest pronouncement in *Schriber-Schroth Co. v. Cleveland Trust Co.*, 311 U. S. 211, 217, 61 S. Ct. 235, 85 L. Ed. 132. The District Court did not in its findings point out the particular feature or lack of feature in the specifications which subjected the claims to uncertainty.

. . .

"As indicated at the outset, we have not been aided in our examination of the record either by brief or by argument of counsel for appellee, but we find nothing that indicates a fatal lack of compliance with Title 35, ch. 2, Sec. 33, U. S. C. A. The presumptions of validity arising from the grants are not negatived. We are not authorized to strike down a patent for uncertainty and indefiniteness where a reasonable construction of the specifications and claims will protect the invention. *Cleveland Automatic Mach. Co. v. National Acme Co.*, 6 Cir., 52 F. 2d 769, 771. Laying to one side any other construction, we are reasonably satisfied that the patents here involved are sufficiently described and claimed."

*Paul E. Hawkinson Co. v. Wilcoxon*, 149 F. (2d) 471, at p. 475 (C. C. A. 6th, 1945).

“It has been strenuously argued that all of the claims of this patent are invalid because the disclosure rested in vital particulars upon no more certain terms of description of the shear-plate than ‘thin,’ ‘extremely thin,’ ‘so thin that it would collapse or flex under inward pressure.’ It is said that there is no adequate disclosure of what thickness of shear-plate is to be used and also that it is not a good limiting description to say in respect to the distance between shear-plate blades that they ‘are too close together, however, to allow the skin to pass up into the slots 14 and the skin is therefore safe from cutting.’ Also that the distance between such blades may not be given as of the ability to admit hair as a minimum and of the ability to exclude skin from the cutting area as a maximum. Though such argument is, indeed, plausible in the sense that some experimentation would seem to be required in amplification of the disclosure, it must be remembered that in making the cutting head of a dry shaver such distances as those of a hair’s breadth are those with which the maker of the shaving head is immediately concerned and it is, perhaps, the exact opposite of vagueness and uncertainty to express such distances in terms of the thickness of hair. At least it may be recalled that to express minute distances in terms of the breadth of a hair is not uncommon. So too, it is fair to say that if one skilled in the art is told to make the blades too close together to permit the skin to pass up into the slots far enough to be in danger of being cut he would know what that meant. The specifications are to be read fairly in connection with the claims and a reasonable construction given the language used to the end that whatever invention is actually disclosed and claimed will be protected. *Smith v. Snow*, 294 U. S. 1, 55 S. Ct. 279, 79 L. Ed.

721; *Keystone Mfg. Co. v. Adams*, 151 U. S. 139, 14 S. Ct. 295, 38 L. Ed. 103. When so read the language is as definite as the law requires. These two claims are, therefore, valid.”

*Schick Dry Shaver, Inc., et al. v. R. H. Macey & Co., Inc.*, 111 F. (2d) 1018, at pp. 1021-1022 (C. C. A. 2nd, 1940).

“The patent is challenged on the ground of generality for failure to furnish a yardstick with which to determine the meaning of ‘long,’ ‘narrow’ or ‘thin’ teeth. The contention does not require extended discussion. It is difficult, if not impossible, to state in general terms an abstract rule by which to test objectionable indefiniteness or generality in a patent. Each case must be determined in large measure by its own facts. This patent is in a well known and crowded art; and the specifications and drawings throw significant light upon the meaning with which the words are used. When the prior art, the specifications, and the drawings are taken into consideration in connection with the claims, the patent is not open to the objection of being too indefinite or general to disclose how the invention may be put to use and how infringement may be avoided. *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U. S. 45, 43 S. Ct. 322, 67 L. Ed. 523; *Vacuum Cleaner Co. v. Innovation Electric Co.*, 2 Cir., 239 F. 543.”

*Chicago Pneumatic Tool Co. v. Hughes Tool Co.*, 97 F. (2d) 945, at p. 948 (C. C. A. 10th, 1938).



“The patent in suit clearly discloses that the patentees did not intend that their bucket should have a flat bottom or a curved bottom with tangent lip, but that the bottom should have a flowing or graduated curve conforming substantially to a segment of a logarithmic spiral as illustrated in the drawing.

“It is to be noted that no one skilled in the art testified that there would be any difficulty in producing the kind of bucket disclosed by the patent. Compare *Donner v. Sheer Pharmacal Corporation*, 8 Cir., 64 F. 2d 217, 220, 221.

“The court below was justified in finding as a fact that the patent was not fatally defective in its disclosure of the invention claimed.”

*Strong-Scott Mfg. Co. et al. v. Weller et al.*, 112 F. (2d) 389, at p. 395 (C. C. A. 8th, 1940).

“ . . . Where, as appears to be true in this case, the patentee does not intend a flat bottom, the expression used is not happy. The language of the specification does not cover the point, and from it no one can say how near flat the bottoms of the buckets were intended to be. But the drawings, which are part of the specifications (*Lamb Knit Goods Co. v. Lamb Glove & Mitten Co.*, 120 F. 267-269 (6 C. C. A.)), clear up the ambiguity. Fig. 2 shows a slightly concave bottom. The patentee could select his own language, but was bound to make his meaning reasonably plain and specific. Taking the drawing into account, I think he has done so. He shows that by ‘substantially flat’ he meant a slight departure from



flatness by concavity, and neither a convex nor corrugated surface. . . .”

*Westco-Chippewa Pump Co. v. Auto-Prime Pump Co.*, 57 F. (2d) 556, at p. 559 (D. C., N. D. Ohio, E. D., 1931).

It is submitted that claims 1, 11, 26, 27, 28, 29 and 30 of the patent in suit are all specific to structural elements which plainly distinguish the patented device from the prior art, that there are *no* terms in any of the appealed claims which are indefinite or vague in any respect to either a layman or a man skilled in the art, and that the meaning of every term in the claims is self-evident from the specification and drawing of the patent in suit. It is submitted that there are no findings by the District Court that support the judgment that such appealed claims are invalid for lack of definiteness but, in fact, the District Court's findings clearly show that the claims are fully definite. If the defendants in this case contend that such appealed claims are “indefinite” in any respect, we submit that it is incumbent upon them to point out with particularity in their answering brief each and every portion of the claims upon which they will rely in support of such a contention.

It is submitted that the holding of the District Court that claims 1, 11, 26, 27, 28, 29 and 30 are indefinite and therefore invalid is erroneous as a matter of law and should be reversed by this Court.

VI.

CONCLUSION.

It is submitted that judgment should be rendered for plaintiff on his second claim for relief upon the oral patent license contract because: (a) The contract was not within the Statute of Frauds; and (b) because defendant Schick, Inc., is equitably estopped to raise or rely upon the Statute of Frauds as a defense to such action.

It is also submitted that claims 1, 11, 26, 27, 28, 29 and 30 of the patent in suit are perfectly definite and valid.

It is therefore respectfully submitted that the judgment of the District Court should be modified to (a) sustain plaintiff's second cause of action on the royalty contract and to award plaintiff an accounting and judgment as to royalties due; or (b) alternatively, hold claims 1, 11, 26, 27, 28, 29 and 30 of the patent in suit valid.

Respectfully submitted,

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No. 11854

IN THE

# United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT

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RALPH E. JONES,

*Cross-Appellant,*

*vs.*

SCHICK SERVICE, INC., a corporation, and SCHICK, INC.,  
a corporation,

*Cross-Appellees.*

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## BRIEF OF CROSS-APPELLEES.

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No. 11854

IN THE

**United States Circuit Court of Appeals**  
FOR THE NINTH CIRCUIT

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RALPH E. JONES,

*Cross-Appellant,*

*vs.*

SCHICK SERVICE, INC., a corporation, and SCHICK, INC.,  
a corporation,

*Cross-Appellees.*

---

**BRIEF OF CROSS-APPELLEES.**

---

This brief is directed to the cross-appeal taken in this case by plaintiff and is intended to present defendants' reply to the "Opening Brief of Cross-Appellant" filed by plaintiff on such cross-appeal. In our "Opening Brief for Defendants-Appellants" we have already discussed the issues of validity of the patent in suit and infringement of the claims of the patent sustained by the court below on plaintiff's first cause of action. On his cross-appeal plaintiff alleges error in the court below in holding claims 1, 11, 26, 27, 28, 29 and 30 of the patent in suit invalid on his first cause of action and in dismissing plaintiff's second cause of action based on the oral contract allegedly made between plaintiff and defendant Schick, Inc., on January 29, 1941. In accordance with subdivision 3 of Rule 20 of this court, we are obliged to

restate the case in so far as the points raised by plaintiff on his cross-appeal are concerned since plaintiff's statement of the case is totally inadequate and insufficient to apprise the court of the pertinent evidence. In our re-statement of the case, we shall first present the facts in evidence on plaintiff's second (contract) cause of action and then such additional facts on plaintiff's first (patent) cause of action as are germane to the issue with respect to the claims of the patent in suit held invalid by the court below.

## I.

### Statement of the Case.

#### *Second Cause of Action:*

Plaintiff's statement of facts relative to the second cause of action is correct in so far as it goes; but, ignoring the issue raised by the denial in the answer\* that the contract alleged in the second cause of action was entered into [par. IV, R. 16, 17], which the lower court decided in favor of plaintiff [Finding 23, R. 23, 24], plaintiff omits any statement of the bulk of the evidence bearing on that issue. Inasmuch as defendant Schick, Inc. contends that the evidence is insufficient to support this finding of the lower court, we shall summarize this evidence.

The evidence bearing on the issue of contract *vel non* consists of the testimony of plaintiff, of plaintiff's witness Merrick, the then general counsel for defendant Schick, Inc., and correspondence between plaintiff and representa-

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\*Whenever the term "answer" is used herein it is to be understood as referring to the answer of defendants to combined original and supplemental complaints for infringement of letters patent No. 2,228,768 [R. 12 *et seq.*].

tives of said defendant. It is alleged in the complaint,\* and found by the court, that the oral contract sued upon was entered into on January 29, 1941 [par. IV of complaint, R. 10, 11, and Finding 23, R. 55, 56]. It will be observed that the District Court found that all of the terms of the oral contract alleged in the complaint were "agreed to unconditionally by both parties thereto," that the "oral contract was not conditioned upon the making of any subsequent agreement by the parties as to any further terms," and that said oral contract was not "conditioned upon being subsequently reduced to writing, or otherwise." Such finding is based upon the conception that the minds of the parties met at the conversation of January 29, 1941, between plaintiff, Merrick and Cordiner, the then president of defendant Schick, Inc.

The record shows that at this conversation, after discussing the amount of royalties to be paid, plaintiff said the best offer he would make was  $1\frac{1}{2}\%$  of the manufacturer's sales price until royalties should total \$250,000, and 1% thereafter to the end of the life of the patent, with a down payment of advance royalties of \$30,000. To this Cordiner replied "It's a deal." Cordiner and plaintiff shook hands and plaintiff said "It's a deal. That is fine." [R. 130, 131.] The conversation continued without interruption; there was no hiatus. Cordiner sought and received assurance from plaintiff that he would not attempt to negotiate a sale of the patent to anyone else. Plaintiff then asked Cordiner how they were going to go about putting the "agreement" in writing, to which

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\*Whenever the term "complaint" is used herein it is to be understood as referring to the combined original and supplemental complaints for infringement of letters patent No. 2,228,768 [R. 8 *et seq.*].



Cordiner replied, in effect, that the Schick Company would draw the agreement, and told plaintiff to send them such points as he would like to have included in the agreement, and if possible the Schick Company would include them [R. 131].

On cross-examination [R. 233-241], plaintiff testified that he did not propose to negotiate with anyone else unless defendant Schick, Inc. refused to "put the agreement in writing and refused to comply with its terms"; that at the conversation of January 29, 1941, he, Cordiner and Merrick discussed the question of who should take the responsibility for defending the patent from suits by third persons, that they were going to reach an agreement on that point; that it was left to Schick Company's option whether said defendant or plaintiff should prosecute the two pending patent applications of plaintiff; that in response to Merrick's suggestion that plaintiff employ an attorney to advise him regarding the different things that would have to be covered in the proposed agreement, plaintiff replied that he thought that he could "negotiate the main matters" that afternoon and that he could have an attorney's advice later on "as to whether everything was all right."

Plaintiff further testified on his cross-examination that Cordiner and Merrick called his attention to the "captions that would necessarily be included in the patent agreement" [R. 237-9]; that there were provisions that "they" wanted to put in the agreement, but that he "had no intention of passing up the agreement and refusing to sign it when they submitted an agreement, unless there was something that would markedly interfere with (his) normal rights in the matter" [R. 240]; that plaintiff thought they "had a sort of preliminary discussion, because I expected



them to work out the contract that they thought should be signed, and then, unless there was something horribly wrong with it, I expected to sign it" [R. 245]; plaintiff thought that they "would have no particular difficulty in reaching an agreement on the secondary issues, if you want to call them that" [R. 245-6]; that he was willing to concede any reasonable secondary provisions when the Schick Company presented the contract; that "they mentioned that I should take the responsibility of defending suits, and I did not agree"; that they did not settle the point regarding the extent to which plaintiff would go in defraying the cost of suing others in the event there was an infringement of his patent [R. 246]; that he "expected to get the contract from them for (his) signature, or (his) protest, but that if something seemed radically wrong with it (he) expected them to change it, whatever it might be, when they sent (him) the contract" [R. 247]; and that "they were to prepare the contract, and send it to me, and then if I objected I was to try to persuade them as to what changes I thought ought to be made in it" [R. 248].

In response to a question by the Court, plaintiff testified [R. 251] "I thought this: That in view of the correspondence that followed the oral agreement, I thought there might be enough confirmation of the oral agreement there to make the agreement binding."

It will serve no useful purpose to summarize the witness Merrick's testimony, because his version of the conversation of January 29, 1941, is substantially the same as plaintiff's.

Certain excerpts from the correspondence between the parties following their conversation are of significance. Plaintiff's letter to the Schick Company, dated January

30, 1941, and the "preliminary draft" of license agreement enclosed therewith [Pltf. Ex. No. 9, R. 434 *et seq.*] is significant. This letter, written the day after the oral conversation, states in part that plaintiff agreed to the royalties alleged at the "oral agreement" of the day before, "cost of court fights desired by you to be yours. I agreed to this, subject to detailed protective provisions in the contract satisfactory to me. I have accordingly drafted a contract that is satisfactory to me \* \* \*." The "preliminary draft" enclosed with this letter contained additional provisions of substance beneficial to plaintiff, which had not been agreed to at the oral conversation the day before, outstanding among which was an annual minimum royalty requirement of \$5,000 (par. 11), and the requirement that defendant Schick, Inc. should bear the cost of both offensive and defensive litigation affecting plaintiff's patents (par. 15). Plaintiff's Exhibit No. 10 [R. 442] was a letter from Merrick to plaintiff, dated February 5, 1941, and concerns itself primarily with doubts about the meaning of Paragraph 7 of plaintiff's "preliminary draft," but it also states "there are several paragraphs that in our opinion will require some clarification \* \* \*."

Plaintiff wrote defendant Schick, Inc. under date of February 10, 1941 [Pltf. Ex. No. 11; R. 444], in which he made the following statement:

"I hope that you and Mr. Cordiner will believe that my efforts to plug every loophole, however small or improbable, does not indicate any opinion on my part that your organization or its officers are the sort that make any such provisions necessary. I really do believe that any sort of simple agreement would be complied with conscientiously by your organization.

And yet, on the other hand, it seems to me a sensible and proper policy to try to make the contract an iron-clad affair that will protect to the maximum degree the rights intended for me.”

Plaintiff's Exhibit No. 12 [R. 445] was a letter from Merrick to plaintiff, dated February 17, 1941, requesting that plaintiff send the Schick Company copies of plaintiff's pending patent applications, stating that “we” would like to examine the applications in connection with the preparation of a memorandum to be submitted to the board of directors. Defendant's Exhibit R [R. 565] was a telegram from plaintiff to the Schick Company, dated March 9, 1941, requesting advice as to when plaintiff would receive the company's “version of contract.” On March 13, 1941, Merrick wrote plaintiff [Pltf. Ex. No. 14, R. 447], informing him that the Schick Company was not interested in obtaining a license from him, and on the same date the Schick Company's patent counsel wrote plaintiff that in view of the prior art counsel had advised defendant Schick, Inc. that plaintiff did not as to past shavers, and would not as to future shavers, have a valid claim against said defendant for infringement of the patent in suit [Deft. Ex. C, R. 449].

Defendant's Exhibit D [R. 450 *et seq.*] was a letter from plaintiff to the Schick Company, dated March 14, 1941, which crossed in the mails Plaintiff's Exhibit No. 14 and Defendant's Exhibit ~~D~~<sup>C</sup>. This is the last letter written from plaintiff to the Schick company, and is quite significant. It relates the history of plaintiff's negotiations with Messrs. Cordiner and Merrick, and states:

“Mr. Cordiner and I reached an oral agreement as to all essential factors in a licensing contract, supposedly to be drawn up and signed with a minimum

of delay. I was to notify the Schick Co. promptly of the minor points and phraseology that I desired in the contract. The Schick Co. was then to write a contract and submit it to me \* \* \* I sent by air mail a contract draft embodying all provisions desired by me."

It also contains the following statement:

"This neglect (or whatever it is) on your part is forcing me to move now definitely in the direction of negotiations with someone else in accordance with my alternative plan.

However, I will save for you the opportunity for exclusive licensing rights until April 4th. I cannot guarantee that the opportunity will remain open past that date unless, in the meantime, events shall have made me confident that we are about to sign a contract.

I cannot believe that any useful purpose is being served by this secretive procrastination. Let's get the cards on the table and have a decision, one way or another."

No demand or other communication was made by plaintiff that he considered the oral license agreement sued upon to be in existence until December 10, 1945, almost five years later, on which date plaintiff, through his attorneys [R. 20 *et seq.*], made claim that the contract sued upon existed!

The District Court's decision in favor of defendant Schick, Inc. on the second cause of action was based on the sole ground argued in the Opening Brief of Cross-Appellant. While we urge that this ruling is correct, there are other grounds for upholding the lower court's decision; and it being well settled, as held by this court



in *McBrine Co. v. Silverman*, 121 F. 2d 181, that an appellate court may affirm on a ground not assigned by the trial court, we shall not limit ourselves to defending the ruling of the court below, but will also argue the additional defenses which we presented in the trial court.

Thus, we shall contend that the evidence is insufficient to support the finding of the trial court that any license agreement, oral or otherwise, was entered into between plaintiff and defendant Schick, Inc.; that the alleged oral contract, even if it did come into existence, was barred by the Statute of Frauds not only because, as held by the court below, the acts claimed by plaintiff to create an estoppel were not acts referable to the contract in suit, but that there is no evidence to sustain the lower court's finding [Finding 24, R. 57, 58] that such acts of plaintiff caused him any detriment whatsoever or caused him to change his position; that plaintiff's patent is invalid, which defense is available to said defendant in respect of the second cause of action, because said defendant renounced the alleged license agreement and the protection granted thereby on March 14, 1941, thereby placing itself unequivocally in the position of an infringer, if the validity of such patent should be sustained; and, finally, that in any event the alleged oral agreement is barred by the Statute of Limitations, and that California Code of Civil Procedure, Section 339 (1) is a bar to any recovery under the alleged agreement.

### *First Cause of Action:*

In the "Opening Brief for Defendants-Appellants" is a "Statement of the Case," which is here incorporated by reference. In the Statement of the Case are the following pertinent subtitles: The Issues, The Patent in Suit, The



Accused Devices, Rounding, and Hinging. All of the facts set forth under these titles apply to plaintiff's cross-appeal. Our arguments as to the invalidity of claims 22, 23, 31 and 32 for lack of invention apply equally well to claims 1, 11, 26, 27, 28, 29 and 30.

The District Court held claims 1, 11, 26, 27, 28, 29 and 30 invalid [Finding 20, R. 55; Conclusion of Law 3, R. 59; Interlocutory Judgment, R. 62]. Plaintiff-cross-appellant's appeal is directed to this holding. This judgment of the District Court is entirely correct and should not be reversed. The findings of fact and conclusions of law supporting the judgment are fully supported by the evidence [Finding 20, Conclusion of Law 3].

The District Court not only held claims 1, 11, 26, 27, 28, 29 and 30 invalid, but also claims 17, 18, 19, 20, 24 and 25 [Finding 20, R. 55]. On February 21, 1948 a disclaimer was entered in the Patent Office by the plaintiff (608 O. G. 831) stating that "he has claimed more than that of which he was the original or first inventor or discoverer, and he hereby makes disclaimer of said claims 17, 18, 19, 20, 24 and 25 thereof." (See Appendix to this brief.)\* Plaintiff has appealed and asks this court to review the holding of the District Court only as to some of the claims held invalid by the District Court, that is, claims 1, 11, 26, 27, 28, 29 and 30; but he has admitted that he is not the inventor of the subject matter of claims 17, 18, 19, 20, 24 and 25. A comparison of typical claims from these two sets of claims—those appealed from and those disclaimed—(claims 1 and 17 for example) fails to disclose any material differences. Both of these claims describe

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\*A duly certified copy of this disclaimer will be presented to the Court at the oral argument.

a shaver having a transversely slitted channeled head with its edges rounding into the head and elements at the ends rounding into the head. Plaintiff admits that he is not the inventor of that device described in claim 17 (see disclaimer), but he wishes this court to determine that he is the inventor of that described in claim 1. The District Court in Finding of Fact 20 [R. 55] held the claims invalid for indefiniteness but in his oral opinion he also held that they do not embody invention [R. 412].

The device described by claims 1, 11, 26, 27, 28, 29 and 30 is completely anticipated by the prior art patents, such as the patent to Peterson [Deft. Ex. L-4, R. 470]. The patent in suit describes that all of the surfaces of the shaving head should be rounded off to provide shaving comfort and that guard members shall be added at the squared ends of the head to provide shaving comfort. Peterson [Deft. Ex. L-4] describes a guard which is used on the ordinary Gillette safety razor, such razor having squared ends like the ends complained of in the patent in suit [col. 1, lines 13-23; R. 425]. The patent in suit teaches that a rounded device placed at the end of the channeled head of the razor would give a smoother, more satisfactory shave [R. 377]. That is exactly the teaching of the Peterson patent. The prior patent to Ventimiglia [Deft. Ex. L-5, R. 474] describes a dry shaver whereby all the sharp edges or corners are rounded off to prevent scratching and cutting. The patent to Friedman [Deft. Ex. L-6, R. 478] shows an electric shaver having a rounded gauge plate 1 which comes in contact with the skin to make the device slide over the skin more readily [R. 377]. The patent to Dean [Deft. Ex. L-8, R. 490] shows an attachment adapted to be put on a conventional hair clipper which forms rounded beads 18 at the corners

of the shaving head to prevent cutting or scratching [R. 378].

Claims 1, 11, 26, 27, 28, 29 and 30 describe no mechanical part not present in the Schick shavers manufactured prior to the alleged invention of Jones.

Exhibit B, which was acknowledged to be an earlier model than any invention of the plaintiff [R. 192], has all of the mechanical features described in claim 1 of the patent in suit. Claim 1 calls for "an outer transversely slitted channeled head and a cutter reciprocating within the channel of the head." Obviously Exhibit B contains these two elements. The claim further calls for "the head at its longitudinal outer edges being transversely rounded, the transversely rounded surfaces merging into the outer surface of the head." Obviously the channeled head of Exhibit B has all of its edges transversely rounded and that rounding merging into the surface of the head. Plaintiff acknowledged that the heads in this shaver "are somewhat beveled and somewhat rounded" [R. 193]. The last element of claim 1 is: "and elements disposed at the ends of the channeled head, each having a longitudinally rounded surface at its extremity merging into the outer surface of the head at the ends thereof." This last element is not new with the plaintiff. The Peterson patent [Deft. Ex. L-4, R. 470] describes a body portion 1 and shields 4. The shields 4 are curved and rounded into the channeled portion 1 to make a smooth uninterrupted curve so that the edges or corners of the razor blade 11 cannot cut or scratch [R. 376-7]. Similarly the patent to Aaron [Deft. Ex. L-11, R. 511] describes a dry shaver which has a shaving head indicated and called a "cylindrical housing 105." At the ends of this head (see Fig. 4 at the upper left-hand corner) are rounded projections. One of these

is disclosed in the drawing at each end of the cutting head. The purpose of these projections is two-fold: (1) to act as a reinforcing bar as found by the court [Finding 16, R. 52], and (2) to permit rounding of the end of the head. These reinforcing bars were used on substantially all Schick shavers [Exs. 2, 3, 4, 5, B, F, H and I; R. 314-317]. The purpose of these reinforcing bars or elements is explained in the testimony of Gray:

“In addition to guarding against damage, the reinforcing element is made thicker so that operations dealing with the rounding of the shearing head can be performed, if this reinforcer were extremely thin, as the shear plate is, it is not strong enough to stand up under the rounding operation” [R. 356].

These reinforcing elements which constitute rounded guards were in use long before any purported invention by Jones [R. 356-7].

Before replying to plaintiff's cross-appeal on the merits we shall contend that such cross-appeal should be dismissed in so far as it affects the second cause of action, because plaintiff, by accepting the benefits of the judgment given him by the trial court on the first cause of action, has effectually estopped himself from pursuing further his claim on the alleged exclusive license agreement.



II.

**Summary of Argument.**

*Point 1.* Plaintiff's cross-appeal, in so far as it affects the second cause of action, should be dismissed.

*Point 2.* The District Court's finding [Finding 23, R. 55, 56] that the oral agreement alleged in the complaint was entered into between plaintiff and defendant Schick, Inc., on January 29, 1941, that at the time of the making of said oral contract all of the terms thereof were agreed to unconditionally by both parties thereto, and that said oral contract was not conditioned upon the making of any subsequent agreement by the parties as to any further terms, and was not conditioned upon being subsequently reduced to writing, is erroneous and is not supported by the evidence.

*Point 3.* The District Court properly concluded in its Conclusions of Law that the alleged oral license agreement was barred by the Statute of Frauds.

(a) The trial court correctly concluded [Conclusion 6, R. 60] that the alleged oral contract was not fully or otherwise performed by plaintiff so as to take the same out of the operation of the Statute of Frauds of California.

(b) The findings of the trial court [Finding 24, R. 58] that in submitting copies of plaintiff's two patent applications to defendant Schick, Inc. plaintiff relied upon the alleged oral contract, that plaintiff would not have sent copies of said patent applications to said defendant had he not relied upon said oral contract, that by sending copies of such pending patent applications to said defendant plaintiff changed his position to his detriment and could not be put back into his original position after such dis-



closure, that from January 29, 1941, until at least March 14, 1941, relying upon the acts and statements of said defendant, plaintiff believed that he had a binding and enforceable agreement with said defendant, and in reliance thereon plaintiff throughout such period refrained from negotiating with any other person or company with respect to the patent in suit, and thereby suffered further detriment, are, and each of them is, erroneous and not supported by the evidence.

(c) The trial court properly found and concluded [Finding 24, R. 58, Conclusion 6, R. 60] that the submission by plaintiff of his two patent applications to defendant Schick, Inc. was not an act referable to the oral contract sued upon, and therefore did not estop defendant from asserting the Statute of Frauds.

*Point 4.* Defendant Schick, Inc having on March 13, 1941, renounced and abandoned the alleged exclusive license granted by the asserted oral agreement on the ground that plaintiff's patent was invalid, and said defendant having neither manufactured nor sold any dry shavers pursuant to said alleged oral agreement embodying the invention covered by said patent, said defendant urges, and is not estopped to urge, the invalidity of said patent as a complete defense to the second cause of action.

*Point 5.* The claim asserted in the second cause of action is barred by Section 339 (1) of the Code of Civil Procedure of the State of California.

*Point 6.* The District Court properly concluded [Conclusion 3, R. 59] that claims 1, 11, 26, 27, 28, 29 and 30 of Patent No. 2,228,768 were indefinite within the meaning of 35 U. S. C. A. §33 (R. S. §4888).

III.

THE ARGUMENT.

**Point 1. Plaintiff's Cross-appeal, in so far as It Affects the Second Cause of Action, Should Be Dismissed.**

Before answering the questions raised on plaintiff's cross-appeal relating to the second cause of action, we urge that plaintiff has effectually abandoned his claim on the alleged exclusive license agreement and estopped himself from pursuing it further.

The first and second causes of action are inconsistent. Admittedly, plaintiff could not have judgment for infringing his patent and at the same time recover royalties pursuant to a license under such patent. The District Court gave plaintiff judgment that four claims of the patent were valid and infringed. Judgment was rendered for defendant Schick, Inc., on the second cause of action.

It is conceded that under Rule 8(e) F. R. C. P. plaintiff was permitted to allege inconsistent causes of action. The question here involved is: At what point in the case is he required to elect, or be deemed to have elected, between them?

It is our position, in view of what transpired in the court below, that plaintiff must be deemed to have elected to pursue the first cause of action and to have renounced the second. Plaintiff sought and obtained an injunction restraining defendants from manufacturing the accused shavers [R. 63], of which he has taken full advantage. Plaintiff not only insisted upon retaining this injunction, he opposed defendants' application for a supersedeas [R. 72 *et seq.*], in order to obtain which defendants were

required to procure and file a \$90,000 surety bond [R. 75 *et seq.*]. Finally, plaintiff has appealed from the trial court's ruling in the first cause of action, holding invalid certain other claims of the patent.

We have no quarrel with the liberalization of pleading accomplished by Rule 8(e)(2); but this rule, like the remainder of the F. R. C. P., is purely procedural in its implications. It does not purport to alter the substantive law, and it is a familiar doctrine of substantive law that a plaintiff may not appeal from a portion of a judgment, where the effect of reversal would be in any manner to disturb that part of the judgment entered in plaintiff's favor. This is the rule in *Shaffer v. Great American Indemnity Co.*, 147 F. 2d 981, 983 (C. C. A. 5), where Judge Hutcheson, in his concurring opinion, said:

"It is quite clear to me therefore that the judgment should be affirmed unless appellee's motion to dismiss because plaintiff has accepted pay under the judgment and an appeal is inconsistent with that acceptance is well taken.

If the appeal would have had the effect, if successful, of in any manner disturbing or changing that part of the judgment which had been entered in plaintiff's favor, I think appellee would have been right in insisting that the appeal should have been dismissed. This is the rule not only generally but in the federal courts as well."

The same doctrine is stated somewhat differently in *Altman v. Shopping Center Bldg. Co.*, 82 F. 2d 521, 526, 527 (C. C. A. 8), as follows: A party who enforces or otherwise accepts the benefit of a judgment cannot maintain an appeal to review the same. In that case

the trial court adjusted the many conflicting claims of the parties according to a single plan worked out by the court and invited by the Altman heirs. The Altman heirs, taking advantage of provisions of the decree favorable to them, appealed from other provisions of the decree disadvantageous to them. In dismissing their appeal the court said:

“Although they did not bring the suit in the first place, they did affirmatively invoke the exercise of the equity powers which saved them their inheritance. By the acceptance of the benefits of the decree, they are precluded from attacking it on appeal. If they believed themselves entitled to have the Turemans make the payments called for by the Altman-Merchants indenture, they could have stood upon that claim. But they apprised the District Court, by their *Alternative pleading*, that if it should be adjudged that the Turemans were not so liable then they prayed that the extraordinary equitable remedies be granted, of which they have taken full advantage.” (Emphasis supplied.)

So, in the case at bar, plaintiff apprised the District Court by his alternative pleading that if it should be adjudged that defendant Schick, Inc., was not liable on the alleged license agreement then he prayed that the patent be held infringed and an injunction granted, of which he has taken full advantage.

A third case whose facts are strikingly similar to those in the case at bar is *United Engineering & Foundry Co. v. Cold Metal Process Co.*, 68 F. 2d 564. In that case, defendant, in a patent infringement suit, raised two defenses, first, that the patent was invalid; second, that if valid plaintiff had granted it a patent license. The trial



court held the patent valid, but that by reason of the license contract defendant had not infringed. Defendant appealed from the portion of the decree which held the patent valid. In dismissing the appeal the court (C. C. A. 3) said:

“In view of the fact that the decree dismisses the plaintiff’s bill and the further fact that such decree is in accord with the specific relief prayed for in the defendant’s answer, namely, ‘Defendant therefore prays that this bill of complaint be dismissed with costs to plaintiff,’ is the defendant, which has not surrendered or canceled the license, and is now enjoying the monopoly of the patent, warranted in asking this court in this appeal to convict the court below of error in its decree and here contest the validity of the patent? In that connection we note that, assuming for present purposes the defendant could plead whatever defenses it chose, the situation of standing on its unsurrendered license and insisting on a decree which does not invalidate, and therefore leaves it in possession of a licensee’s rights, it follows that, enjoying and possessing such license, the defendant is not in a position to contest the validity of its licensor’s patent, the monopoly and rights to which it retains.”

We know of no decision which has construed Rule 8(e)(2) to permit a plaintiff to delay his election beyond the entry of judgment in the trial court. On the other hand, there are several indications in recent decisions that this rule cannot be so construed. Thus, in *Venn-Severin Machine Co. v. Kiss Sons, etc., Inc.*, 2 F. R. D. 4, 5 (D. C. New Jersey), the court said:

“Plaintiff objects to the counterclaim of the defendant because it sets up equitable and legal fraud and alleged breach of an implied warranty and argues



that the defendant may seek either rescission by equitable action or damages in a legal action, but, he may not seek both remedies because the former is in derogation of and seeks to avoid the contract, while the latter remedy is available only on the premise that there exists a present and continuing contract which the defendant elects to recognize as such; therefore, the defendant should be required to make an election.

In answering this objection, the court holds, that the defendant will be required to make its election, *but it can do so during the trial.*" (Emphasis supplied.)

Also, in *Golden West Brewing Co. v. Milonas*, 104 F. 2d 880 (a trademark case), this court indicated that a plaintiff may not appeal from a decree where such appeal is inconsistent with plaintiff's acceptance of a portion of the decree appealed from.

The Restatement of the Law of Contracts, Volume II, §384, p. 719, makes the following statement:

"(b) It is not improper for a plaintiff to bring his action by a complaint containing alternative counts for restitution and for damages; but an election between them is necessary before submitting the case to the jury."

Plaintiff may nevertheless argue, although we know of no authority to sustain him, that, in the event this court should reverse the judgment in his favor in the first cause of action, he should not be deprived of his right to have this court review the trial court's ruling against him in the second cause of action. As we show later in our argument on the merits of the cross-appeal, plain-

tiff cannot recover in any event in the second cause of action if his patent is held invalid. It is sufficient for present purposes to point out that plaintiff by accepting benefits under the District Court's decree has forced defendants to change their position; they cannot be placed *in statu quo*. The cross-appeal, in so far as it affects the second cause of action, should be dismissed.

**Point 2. The District Court's Finding [Finding 23, R. 55, 56] That the Oral Agreement Alleged in the Complaint Was Entered into Between Plaintiff and Defendant Schick, Inc. on January 29, 1941, That at the Time of the Making of Said Oral Contract All of the Terms Thereof Were Agreed to Unconditionally by Both Parties Thereto, and That Said Oral Contract Was Not Conditioned Upon the Making of Any Subsequent Agreement by the Parties as to Any Further Terms, and Was Not Conditioned Upon Being Subsequently Reduced to Writing, Is Erroneous and Is Not Supported by the Evidence.**

The negotiations between plaintiff and defendant Schick, Inc., never reached the point where the minds of the parties met on an agreement. At most, the parties merely agreed to make an agreement in the future, and such an agreement is not actionable.

In urging this point we admittedly must establish that there is no evidence sufficient to justify the trial court's finding that the agreement was made. Before discussing this evidence, however, we shall first present the governing law. It is well settled in California that an agreement does not come into existence unless it extends to all the terms which the parties intended to introduce; nor is

there a binding contract, although the parties have agreed orally on its terms, if they have also agreed that it shall not be binding until evidenced by writing.

*Pacific Rolling Mill Co. v. Railway Co.*, 90 Cal. 627, 632, *et seq.*, 27 Pac. 525;

*Spinney v. Downing*, 108 Cal. 666, 41 Pac. 797;

*Mercantile Trust Co. v. Sunset etc. Co.*, 176 Cal. 461, 469, 168 Pac. 1037;

*Connor v. Plank*, 25 Cal. App. 516, 518, 519, 144 Pac. 295;

*Aftergut v. Mulvihill*, 25 Cal. App. 784, 786, 145 Pac. 728;

*Fly v. Cline*, 49 Cal. App. 414, 425, 426, 193 Pac. 615;

*Dillingham v. Dahlgren*, 52 Cal. App. 322, 329, 198 Pac. 832;

*Levin v. Saroff*, 54 Cal. App. 285, 201 Pac. 961;

*Enlow v. Irwin*, 80 Cal. App. 98, 101, 251 Pac. 658;

*Linnard v. Sonnenschein*, 94 Cal. App. 729, 733, 734, 272 Pac. 315;

*Toms v. Hellman*, 115 Cal. App. 74, 1 P. (2d) 31;

*Zellerbach Paper Co. v. Virden Packing Co.*, 10 Cal. App. (2d) 635, 646, 53 P. (2d) 163;

*American Bentonite Corp. v. Clark Equipment Co.*, 43 F. 2d 392 (D. C., W. D. Michigan), decree affirmed 43 F. 2d 1023 (C. C. A. 6).

*Pacific Rolling Mill Co. v. Railway Co.*, *supra*, was an action on an alleged contract for the purchase and sale of a street railway. The only evidence of the agreement was correspondence between the parties. From this corre-

spondence it appeared that although most of the terms, including price, were agreed upon, the parties' minds had not met on the character of title that was to be conveyed. In holding that a contract did not come into existence, the Supreme Court said (at p. 634):

“From a careful reading of the whole correspondence, I conclude,—1. That plaintiffs proposed to sell only such title as they acquired through the sheriff's sale; 2. That it was not intended nor understood that the negotiations should be considered closed and the contract completed until, upon examination, the defendant should become satisfied with that title, nor until a formal written contract should be executed by both parties; and, 3. As it appears that defendant was not satisfied with the title, and that no formal or final written contract was executed by the parties, the fourth finding of the court, to the effect that the agreement had been concluded, considered as matter of fact, is not justified by the evidence, and as matter of law, it is a misconstruction of the written correspondence.”

In *Spinney v. Downing*, *supra*, defendant cross-complained, alleging breach by plaintiff of a contract by which plaintiff agreed to furnish defendant with brick. In holding that the contract set forth in the cross-complaint never became a completed contract, the court said (at p. 668):

“We think it clear that the alleged contract counted upon by defendant Downing in his cross-complaint never became a completed contract. It appears without conflict that it was the understanding and agreement between the plaintiff and Downing that the proposed contract should be reduced to writing, and signed by both parties. This fact is made very clear by the evidence. The paper as drawn up was signed



by Downing, but for some reason which does not appear never was signed by the plaintiff, Spinney. It therefore never became a binding or subsisting obligation upon either. It is a general rule to which this case presents no exception that, when it is a part of the understanding between the parties that the terms of their contract are to be reduced to writing and signed by the parties, the assent to its terms must be evidenced in the manner agreed upon or it does not become a binding or completed contract. This is essentially true when, as here, the proposed contract contains reciprocal stipulations and covenants upon the part of each as a consideration for the acts of the other."

We submit that the evidence shows without conflict that no contract ever came into existence. Admittedly, the agreement sued upon was made, if at all, on January 29, 1941. It is conceded that if there was no meeting of minds of the parties on that date, the agreement sued upon was never made. Plaintiff's sole contention in the court below that the parties' minds met was based upon Cordiner's shaking hands with plaintiff and saying "It's a deal," which contention the lower court sustained. Such contention and such ruling necessarily and, we submit, unrealistically and artificially, divided the conversation between the parties on that date into two separate and entirely unrelated compartments, so to speak. We respectfully assert that the only justifiable inference from this shaking of hands and this statement of Cordiner's was that the parties' minds had met on two terms, *and two terms only*, of the proposed agreement, namely, the nature of the license and the amount of the royalties. It is admitted that there was no hiatus in this conversation; the



negotiations were uninterrupted from start to finish. A split second after the tentative agreement on the two terms of the proposed agreement the parties discussed the preparation of the written contract to come and the other points to be contained therein, which points were mentioned but not agreed upon at this conversation. The only inference that can be drawn from the testimony of plaintiff and Merrick and the subsequent correspondence between the parties is that other important terms usually found in agreements of this character would have to be resolved before a license agreement could come into existence.

Plaintiff's letters to the Schick Company make it abundantly clear that he did not consider himself bound unless or until the written document embodying all terms under discussion was executed. Nowhere in this correspondence do we find plaintiff claiming that defendant Schick, Inc., was bound, and nowhere does he assert or admit that he was bound. We will not burden the argument at this point with repeating all the various statements in the correspondence evidencing plaintiff's intention. Suffice to say, in plaintiff's letter of February 10, 1941, to defendant Schick, Inc. [Pltf. Ex. 11, R. 444], he says that while he believes that "any sort of simple agreement would be complied with conscientiously" by Schick, "it seems to me a sensible and proper policy to try to make the contract an ironclad affair that will protect to the maximum degree the rights intended for me," and in his last letter (Def't. Ex. D, R. 450 *et seq.*) he says that he "will save for (defendant Schick, Inc.) the opportunity for exclusive licensing rights until April 4, \* \* \*" and that he "cannot guarantee that the opportunity will remain open

past that date unless, in the meantime, events shall have made me confident that we are about to sign a contract.” Is not this tantamount to a statement by plaintiff that unless and until a written contract was executed he did not consider himself bound?

Finally, it must be borne in mind that it was not until December 10, 1945, almost five years later, that plaintiff through his attorney [R. 20 *et seq.*] made any claim that the contract sued upon existed. Such neglect by plaintiff of his supposed contractual rights is contrary to human experience. It is unbelievable that if he had believed the oral contract existed he would not have demanded from time to time from defendant Schick, Inc., a statement of royalties due him, or at the very least, the payment of the \$30,000.00 which he alleged was agreed upon as advance royalties. It is interesting to observe in this connection that the action herein as originally filed contained only a count for infringement; the contract count was clearly an afterthought.

In *Dillingham v. Dahlgren*, *supra*, the facts concerning the plaintiff's intention were similar to those in the case at bar. In that case, where a preliminary agreement had admittedly been arrived at but the parties looked to a more formal agreement in writing, the plaintiff testified that the preliminary agreement was “an agreement from which a contract was to be made,” that she proposed to sign “any reasonable form of contract” but that she did not propose to sign an agreement “with terms and provi-

sions in it that (she) didn't like." As in the case at bar the formal written agreement was never executed and there, as here, it appeared from the testimony of the plaintiff that it was not intended that the preliminary agreement (although the same was in writing), was to be binding upon the parties. In holding that no actionable contract came into existence the court, quoting from *Corpus Juris*, said:

"The preliminary negotiations leading up to the execution of a contract must be distinguished from the contract itself. There is no meeting of the minds of the parties while they are merely negotiating as to the terms of an agreement to be entered into. To be final, the agreement must extend to all terms which the parties intend to introduce, and material terms cannot be left for future settlement; nor is there a binding contract where, although its terms have been agreed on orally, the parties have also agreed that it shall not be binding until evidenced by writing."

The case of *American Bentonite Corp. v. Clark Equipment Co.*, *supra*, also deserves special comment because its factual situation is so similar to that in the case at bar. In that case plaintiff claimed that plaintiff and defendant had entered into an exclusive license agreement and there, as here, the parties failed to agree upon a formal agreement. In deciding for the defendant the court said:

"Failing to agree upon a formal license agreement by correspondence, the parties met in New York

City on May 18th and 19th, at which time futile efforts were made to arrive at an understanding. Both parties submitted formal proposed license agreements consisting of approximately fourteen pages each. Neither party at any time suggested or proposed the execution of a formal contract in substantial accordance with paragraph 6. These facts indicate the belief of both parties to the contract that it was of that class usually found in writing; that it was of a nature requiring a formal writing for its full expression; that it had many details; and that the term of the contract was sufficiently long; and the amount involved was sufficiently large to warrant a carefully prepared contract. It is apparent that the contract of April 3d is incomplete as to many of the important elements commonly a part of license agreements. There is no provision determining territorial limitations, upon whom the burden of sustaining the patent rests, the effect of total or partial invalidity upon royalties already paid, the time for payment of royalties, the effect of nonpayment, and the right of licensees to grant sublicenses. The fact that the execution of a formal license agreement was rendered impossible by the later insistence of both parties upon the insertion of conditions and provisions not contemplated in the contract of April 3d suggests strongly that terms deemed material by both parties were not then agreed upon and that both parties so understood. The inference to be drawn therefrom is that the minds of the parties had met on some but not all matters deemed material."



**Point 3. The District Court Properly Concluded in Its Conclusions of Law That the Alleged Oral License Agreement Was Barred by the Statute of Frauds.**

- (a) The Trial Court Correctly Concluded [Conclusion 6, R. 60] That the Alleged Oral Contract Was Not Fully or Otherwise Performed by Plaintiff so as to Take the Same Out of the Operation of the Statute of Frauds of California.

A certain amount of confusion arises out of indiscriminate statements found in the books that "performance," "part performance," or "full performance" by a plaintiff takes an oral contract otherwise covered by the Statute of Frauds outside of the operation of the statute. We assert with confidence that the true rule in California is that performance, whether "full" or partial, is never alone sufficient to take a contract out of the Statute of Frauds. It is only when such performance has given the other party a benefit, the retention of which amounts to a representation that such party will not resort to a plea of the statute, that an estoppel is created. This is made clear by the leading case of *Seymour v. Oelrichs*, 156 Cal. 782, 793, 795, 106 Pac. 88. In that case plaintiff entered into an oral agreement with defendants to enter their employ for a period of ten years. Relying upon this agreement, he resigned a life position with the Police Department and entered defendants' employ. After about two years he was discharged. Plaintiff sought to recover damages for his wrongful discharge, and defendants pleaded the Statute of Frauds. The court held that, although the con-



tract being oral was one which could not be performed within one year and therefore within the Statute of Frauds, the defendants were estopped to plead the statute by reason of plaintiff having changed his position. In pointing out that part performance by the plaintiff was of no significance, the court says (at page 793):

“The claim of plaintiff is not that mere part performance of a contract for personal services which by its terms is not to be performed within a year, ‘invalid’ under our statute because not evidenced by writing, renders the same valid and enforceable. Such a claim would, of course, find no support in the authorities. (5 Browne on Statute of Frauds, sec. 448.) He necessarily is compelled to rely solely on the claim that the defendants by their conduct and promises, on which he was entitled to and did rely, having induced him to give up his life position in the police department in order to enter their employ for a term of years at three hundred dollars a month, on the assurance from them that they would give him a written contract for such time and amount, and it being impossible for him to be placed in *statu quo*, are estopped from now setting up the statute of frauds as a defense to his action on the contract. Under this claim, the fact of part performance by plaintiff plays no part whatever. It was the change of position caused by his resignation from the police department upon which his claim wholly rests, and this resignation was, of course, no part of the performance of the contract of service, but was something that must be done by plaintiff before he could begin to perform, as was known to the defendants. Plaintiff’s case, in this regard, would be just as strong if after his resignation he had been prevented by defendants from beginning to perform.”

Later in the opinion (at page 795), the court makes the following statement, quoting from Browne on Statute of Frauds:

“‘A plaintiff . . . must be able to show clearly . . . not only the terms of the contract, but also such acts and conduct of the defendant as the court would hold to amount to a representation that he proposed to stand by his agreement and not avail himself of the statute to escape its performance; and also that the plaintiff, in reliance on this representation, has proceeded, either in performance or pursuance of his contract, to so far alter his position as to incur an unjust and unconscientious injury and loss, in case the defendant is permitted after all to rely upon the statutory defense. After proof of this, the court may well be justified in using its undoubted power, in cases of equitable estoppel, to refuse to listen to a defendant seeking to deny the truth of his own representations previously made.’”

When the so-called “full performance” by plaintiff is viewed in the light of the rule stated in *Seymour v. Oelrichs*, it is apparent that none of the authorities cited by plaintiff is in point. Thus, in *Emerson v. Universal Products Company, Inc.*, 162 Atl. 779 (Cross-Appellant’s Opening Brief p. 13), which holds that the Statute of Frauds only applies to executory contracts and that the exclusive license there involved was fully performed by plaintiff, thereby relieving such contract from the Statute of Frauds, it appears that the party estopped had received a real benefit under the oral license agreement which it would be inequitable to allow him to retain and at the same time assert the Statute of Frauds. In the *Emerson* case the defendant admittedly had manufactured and sold devices pursuant to the oral license agreement and under

the immunity granted thereby, and it would have been manifestly inequitable to allow him to escape paying royalties on these devices. In a sense, therefore, the license agreement there involved was executed and not executory in character. In the case at bar, the agreement sued upon was admittedly executory; defendant Schick, Inc., promptly repudiated the claimed license agreement [Pltf. Ex. No. 14, R. 447], asserted the invalidity of the patent [Def't. Ex. C, R. 449], and never at any time manufactured any dry shavers pursuant to the alleged agreement [R. 56, 57], thereby placing itself in the position of an infringer of plaintiff's patent, if such patent were held to be valid, and its shavers an infringement thereof.

There is a further circumstance which effectually distinguishes the *Emerson* case and other cases cited by plaintiff from the case at bar, namely, that in such cases, without exception, the oral agreement in respect of which an estoppel was held to prevent the assertion of the Statute of Frauds, *was admitted to have been made by the party estopped*. In the case at bar, as has been seen, defendant Schick, Inc., has at all times vigorously disputed making the oral license agreement sued upon. If, as plaintiff argues, the mere granting of this disputed license constitutes its full performance, admittedly such performance had only an oral manifestation. We urge that, bearing in mind the policy behind the Statute of Frauds of preventing important transactions being established through perjured testimony, the doctrine contended for by plaintiff is a dangerous one and should not be sanctioned.

Even though the *Emerson* case can, as we have shown, be validly distinguished from the case at bar, there is a conflicting line of cases which hold in effect that the mere

granting of an oral license by the patentee does not relieve such license from the operation of the Statute of Frauds. Thus, in *Buhl v. Stephens*, 84 F. 922, 925 (Circuit Court, D. Ind.), plaintiff licensee sued defendant licensor on an oral exclusive license agreement for the life of the defendant's patent. In deciding that the agreement could not be performed within one year and hence was within the Statute of Frauds, the court, after referring to a United States Supreme Court decision, said (p. 925):

"It is there held that this clause of the statute only applies to agreements which, according to the true intention of the parties as shown by the terms of their contract, cannot be fully performed within a year, and not to an agreement which may be fully performed within the year, although the time of performance is uncertain, and may probably extend, and may have been expected by the parties to extend, and does in fact extend, beyond the year. Tested by this rule, it is plain that the present agreement falls within the condemnation of the statute. The agreement by its terms, as found by the master,—and, in my opinion, correctly,—cannot be fully performed until the expiration of the period of 17 years. It is incapable of full performance, according to the true intent of the parties as disclosed by the agreement, within one year from the making thereof."

To the same effect is *Kurts v. Ford Motor Co.*, 62 F. Supp. 255 (D. C., E. D. Mich. S. D., 1945). In this case plaintiff was the licensor and the oral agreement involved was for perpetual nonexclusive licenses under present patents and possible future patents. The court held that such agreement was executory and involved a promise



which could not be performed within one year from the making thereof. In so holding, the court said (pp. 257, 258):

“An executory agreement, promising, among other things, to grant perpetual licenses under present patents and possible future patents, compensable in part by royalty payments computed upon the extent of use of inventions covered thereby, is a promise which cannot be performed within one year from the making thereof. *Hand v. Osgood*, 1895, 107 Mich. 55, 64 N. W. 867, 30 L. R. A. 379, 61 Am. St. Rep. 312; *Radio Corporation of America v. Cable Radio Tube Corporation*, 2 Cir., 1933, 66 F. F. 2d. 778, certiorari denied 290 U. S. 703, 54 S. Ct. 373, 78 L. Ed. 604; Sec. 380, *Walker on Patents* (Deller's Ed.)”

Finally, there is authority in California contrary to the *Emerson* case, namely, *Patten v. Hicks*, 43 Cal. 509, which in so far as we can discover has never been criticized by later California decisions. In that case, the contract sued on was one which obligated the plaintiff to cut saw-logs for defendants sufficient to keep their sawmill running for a period of two years from the date of the contract. The plaintiff performed this contract and cut and delivered saw-logs as required by the oral contract. The court held that the contract was barred by the Statute of Frauds inasmuch as it could not be performed within one year, but pointed out that for the labor and services performed under this void contract the plaintiff could recover on *quantum meruit*.



The other cases cited by plaintiff require little comment; they furnish little, if any, support for his argument. The quotation from *Hellings v. Wright*, 29 Cal. App. 649, 156 Pac. 365 (Cross-Appellant's Opening Brief, pp. 12-13), is, in view of the facts of that case, of no weight. It is clearly *obiter*, because the contract involved was one between real estate brokers to share a commission, which contract the court held was not covered by the Statute of Frauds. Furthermore, the court held that the contract could have been performed within one year and hence the statute was not applicable. Finally, it appeared that appellant had written a letter promising to pay respondent's commissions which took the case without the operation of the Statute of Frauds. *Dutton v. Interstate Investment Corp.*, 19 Cal. (2d) 65, 119 P. (2d) 138 (Cross-Appellant's Opening Brief, p. 13) likewise is not in point because the full performance creating an estoppel in that case consisted of *acts* of respondent and not merely a verbal manifestation as in the case at bar. *Wehner v. Bauer*, 160 F. 240 (Cross-Appellant's Opening Brief, p. 13) throws little light on the situation. There, as in the *Dutton case*, the "full performance" of the plaintiff consisted of acts not words. Furthermore, after expressing some doubt on "one or two questions" the court said (p. 245) that all of defendant's objections (raised on motion to dismiss) would remain to the defendant at the final hearing, and could be renewed in the light of all the evidence in the case. *Price*

*v. Smith Manufacturing Company*, 53 Cal. App. 303, 200 Pac. 53 (Cross-Appellant's Opening Brief, p. 13) is clearly distinguishable. In that case, which was an action on a patent license agreement, the agreement was subject to revocation at any time, hence performable within a year. Also, the defendants in that case, unlike defendant Schick, Inc., admittedly manufactured machines under the patent license and the immunity granted thereby.

To sum up: The best case plaintiff has been able to muster in support of his position is the *Emerson* case, and in the *Emerson* case there are present two crucial elements not present in the case at bar (1) the defendant admittedly manufactured and sold the devices for which a royalty was claimed pursuant to the immunity granted by the license agreement, and (2) the existence of the oral license agreement was not disputed. No cases have come to our attention in California or elsewhere where oral agreements not to be performed within one year have been upheld except upon equitable principles of estoppel, *i. e.*, that the plaintiff's performance of the oral contract was such that it would render it inequitable to permit the defendant to retain the benefits of the oral agreement. Certainly, as has been stated, the very purpose of the Statute of Frauds would be circumvented if the mere oral statement of the plaintiff of an agreement is sufficient not only to establish the existence of a disputed contract but to constitute its performance as well.

(b) The Findings of the Trial Court [Finding 24, R. 57, 58] That in Submitting Copies of Plaintiff's Two Patent Applications to Defendant Schick, Inc., Plaintiff Relied Upon the Alleged Oral Contract, That Plaintiff Would Not Have Sent Copies of Said Patent Applications to Said Defendant Had He Not Relied Upon Said Oral Contract, That by Sending Copies of Such Pending Patent Applications to Said Defendant Plaintiff Changed His Position to His Detriment and Could Not Be Put Back Into His Original Position After Such Disclosure, That From January 29, 1941, Until at Least March 14, 1941, Relying Upon the Acts and Statements of Said Defendant, Plaintiff Believed That He Had a Binding and Enforcible Agreement With Said Defendant, and in Reliance Thereon Plaintiff Throughout Such Period Refrained From Negotiating With Any Other Person or Company With Respect to the Patent in Suit, and Thereby Suffered Further Detriment, Are, and Each of Them Is, Erroneous and Not Supported by the Evidence.

The lower court's finding [R. 57, 58] that plaintiff in submitting and disclosing copies of his patent applications to defendant Schick, Inc., changed his position to his detriment and could not be put back into his original position after such disclosure is not, we submit, sustained by the evidence. Plaintiff testified [R. 240, 243, *et seq.*] that he did not furnish defendants with any power of attorney, which it would be necessary for them to file in the Patent Office before they could take any action in connection with the two patent applications; that defendants actually took no such action; that they returned the patent applications to plaintiff; that through his attorney plaintiff prosecuted the patent applications in the Patent Office; that such prosecution was not affected by sending copies of the applications to defendants and *that the Pat-*

ent Office eventually issued patents to plaintiff on the applications. There is no evidence that defendants used the applications in any way whatsoever.

The law is clear that the "detriment" suffered in order to create an estoppel must be a substantial one. There are a number of California decisions upholding this proposition. Thus, in *Stowe v. Fay Fruit Co.*, 90 Cal. App. 421, 426, 265 Pac. 1042, the court says that in order to create an estoppel the person urging it must have suffered a "material loss." *Davis v. Cline*, 184 Cal. 548, 552, 195 Pac. 42, states the rule as follows:

"Where no available right is parted with and no injury suffered, there can be no estoppel *in pais*."

In *Carpy v. Dowdell*, 115 Cal. 677, 686, 47 Pac. 695, the nature of the detriment necessary to create an estoppel is stated as follows:

"Where a person tacitly encourages an act to be done he cannot afterward exercise his legal right in opposition to such consent, if his conduct or acts of encouragement induced the party to change his position, so that he will be pecuniarily prejudiced by the assertion of such adversary claim . . . ."

How then did plaintiff suffer any substantial injury in submitting copies of his patent applications to defendant Schick? Certainly an injury may not be presumed, and the burden of establishing an estoppel rests upon him who asserts it. Far from suffering any substantial pecuniary injury, the record affirmatively shows that plaintiff suffered no injury whatsoever, because patents actually issued on the two applications submitted to defendant Schick, Inc.! Plaintiff was unable in the court below to point out even a scintilla of evidence tending to show that the disclosure



of the patent applications to defendants caused him any injury, substantial or otherwise. We challenge him to do so here.

What has just been said applies with equal force to plaintiff's contention and the trial court's finding that plaintiff suffered a detriment because, relying upon the existence of an oral contract, he refrained from negotiating with others with respect to his patent. This contention probably can be disposed of summarily as being trivial because the period of his supposed reliance upon the alleged oral contract extended only from January 29, 1941 until March 14, 1941, *i. e.* about six weeks. The point has no merit, in any event, because under California decisions the mere reliance upon an unfulfilled promise to put an oral agreement in writing is not sufficient to protect the party insisting upon the fulfillment of the alleged contractual obligation. The leading case is again *Seymour v. Oelrichs, supra* (at p. 797). It will serve no purpose to cite the multitude of cases bearing on this point; a reference to *Standing v. Morosco*, 43 Cal. App. 244, 247, 248, 184 Pac. 954, will suffice. That case involved an oral employment contract whereby defendant employed plaintiff for a period extending beyond a year from the date of such oral contract. Plaintiff moved his residence from New York to Los Angeles and entered the employ of defendant. This was nevertheless held by the court not to constitute an act which would estop defendant from interposing the defense of the Statute of Frauds in an action for wrongful discharge. The court stated the law as follows (pp. 245, 246):

“Every person is advised of the plain requirement of the statute, and the mere omission to insist that a writing be made, or reliance only upon the unfulfilled



promise of the other to put the agreement in writing, is not sufficient to protect the party insisting upon the fulfillment of the alleged contractual obligation. He must be misled by the other to his prejudice; not only must sufficient facts appear to show a representation (by words or conduct) on the part of the defendant that he did not intend to resort to a plea of the statute, but the other party must have so altered his position as that he would be made to suffer loss or unconscionable injury."

- (c) **The Trial Court Properly Found and Concluded [Finding 24, R. 58, Conclusion 6, R. 60] That the Submission by Plaintiff of His Two Patent Applications to Defendant Schick, Inc., Was Not an Act Referable to the Oral Contract Sued Upon, and Therefore Did Not Estop Defendant From Asserting the Statute of Frauds.**

This is the ground upon which the District Court gave judgment for defendant Schick, Inc. in the second cause of action. While, as we have pointed out, there is no evidence tending to show that plaintiff suffered any detriment or change of position whatsoever and, therefore, no estoppel was created, the District Court correctly applied the law of California that, even if plaintiff has suffered a legal detriment by reason of an act performed by him, such act must in any event be referable to the contract, otherwise it does not create an estoppel. The contract declared upon makes no mention of plaintiff's two patent applications and, therefore, under the cases about to be cited the act of submitting the patent applications to Schick even though requested by Schick to do so, does not operate to create an estoppel against Schick from asserting the Statute of Frauds. The case of *Baker v. Bouchard*,

122 Cal. App. 708, 10 P. (2d) 468, states the rule as follows (page 711):

“Furthermore, it is clear that in order to take a contract out of the operation of the statute of frauds, the acts relied upon as establishing part performance must be unequivocally referable to the contract.”

To the same effect see *Trout v. Ogilvie*, 41 Cal. App. 167, 172, 182 Pac. 333; *Stevenson v. Pantaleone*, 131 Cal. App. 401, 406, 21 P. (2d) 703; *Forbes v. City of Los Angeles*, 101 Cal. App. 781, 789, 282 Pac. 528; *Foster v. Maginnes*, 89 Cal. 264, 267, 26 Pac. 828, and *Levi v. Murrell*, 63 F. 2d 670, 671, in which this court recognized the rule for which we contend.

**Point 4. Defendant Schick, Inc. Having on March 13, 1941, Renounced and Abandoned the Alleged Exclusive License Granted by the Asserted Oral Agreement on the Ground That Plaintiff's Patent Was Invalid, and Said Defendant Having Never Manufactured Nor Sold Any Dry Shavers Pursuant to Said Alleged Oral Agreement Embodying the Invention Covered by Said Patent, Said Defendant Urges, and Is Not Estopped to Urge, the Invalidity of Said Patent as a Complete Defense to the Second Cause of Action.**

Ordinarily a licensee under a patent is estopped to question the patent's validity. This is not true, however, where the licensee renounces the license, and the immunity from infringement provided thereby, on the ground of the invalidity of the patent, and clearly places himself in the position of an infringer. In such case he is per-

mitted to assert the invalidity of the patent, and if he is sustained he will not be held liable for royalties under the license agreement for any devices manufactured after the renunciation of the license. The following cases support the rule of law just stated:

*The Armstrong Co. v. Shell Company of Calif.*,  
98 Cal. App. 769, 778 *et seq.*, 277 Pac. 887;

*Frost Railway Supply Co. v. Symington & Son*,  
24 F. Supp. 20;

*Martin v. New Trinidad etc. Co.*, 255 F. 93;

*Universal Rim Co. v. Scott*, 21 F. 2d 346.

As said in *Martin v. New Trinidad etc. Co.*, *supra*:

“So far as the eighth defense is concerned, the rule pertinent to the question thus presented, which may be deduced from the reported decisions and which is supported by reason, is this: A licensee under a license agreement, such as that upon which this suit is based, when sued for royalties payable under the agreement, where the patent which is the subject-matter of the license, is apparently valid and in force (where it has not been declared invalid by a court of competent jurisdiction or revoked by the Patent Office before the royalties have accrued), may not set up the supposed invalidity of the patent and the consequent failure of consideration of the agreement, unless, prior to the period for which the royalties are sought to be recovered, he has given to the licensor a distinct, definite, and unequivocal notice to the effect that he no longer recognizes the binding force

of the agreement, and that he will thereafter manufacture or use the article covered by the patent under a claim of right, founded upon the alleged invalidity of the patent, and in hostility to and defiance of the authority of the patent and the license, so that the licensor can thereafter proceed against him for an infringement of the patent, if he choose so to do.”

Such was the case here. By sending plaintiff the two letters of March 13, 1941 [Pltf. Ex. 14 and Deft. Ex. C, R. 447, 449] defendants took such a step and did not thereafter manufacture or sell any dry shavers pursuant to the alleged oral contract, embodying the invention covered by the patent; and the lower court so found [R. 56, 57].

Defendant Schick, Inc., therefore, urges the invalidity of plaintiff's patent as a defense to the second cause of action. The argument for the invalidity of all but four of the claims appears later herein. The argument for the invalidity of the remaining four claims appears in our briefs on defendants' appeal.

If it is eventually determined in this litigation that all claims of the patent in suit are invalid, such determination will obviously preclude recovery by plaintiff on the second cause of action. We shall not prolong this brief by exploring what result would ensue if some of the claims of the patent are eventually upheld and others determined to be invalid. The possibility of such a holding being determinative of the second cause of action is too remote.



**Point 5. The Claim Asserted in the Second Cause of Action Is Barred by Section 339 (1) of the Code of Civil Procedure of the State of California.**

The second cause of action was not filed until February 28, 1946 [R. 22]. Defendants, in their answer [par. IX, R. 18], pleaded Section 339 of the Code of Civil Procedure of the State of California, *i. e.*, the statute of limitations applicable. Although this defense was not determined by the court below, it is not to be considered as waived. That the statute bars any recovery as to royalties alleged to have accrued prior to February 28, 1944 (including, of course, the advance royalty payment of \$30,000) cannot be controverted. It is our contention that the statute also is a bar to any action upon the alleged oral contract not filed within the two-year period fixed by the statute, *i. e.*, plaintiff's second cause of action *in toto*.

Under date of March 13, 1941, plaintiff was advised by letter [Pltf. Ex. 14, R. 447], from defendant Schick, Inc., that its Board of Directors had decided not to accept the proposed license agreement. This letter constitutes a clear repudiation and renunciation of any agreement between defendant Schick, Inc., and plaintiff [Finding 23, R. 56-57]. This letter was written more than two years before the filing of the first cause of action in this case on July 6, 1945 [R. 4] and the second cause of action on February 28, 1946 [R. 22]. There was no response by plaintiff to this letter and plaintiff thereafter in no manner whatsoever made any assertion that he considered Schick, Inc., bound by any license agreement with plaintiff or demanded performance of any such license agreement until the letter [Ex. A to the Answer, R. 20] was written by plaintiff's attorneys to Schick, Inc., on December 10, 1945. In his letter of March 14, 1941 [Def't.



Ex. D, R. 450], which cross defendant's letter to him of March 13, 1941 [Pltf. Ex. 14, R. 447], plaintiff advised defendant Schick, Inc., that the opportunity to enter into the license agreement would remain open only until April 4, 1941.

Defendant Schick, Inc., having repudiated and renounced the license agreement, and plaintiff by his letter of March 14, 1941, and subsequent inaction in effect having also repudiated and abandoned any existing binding license agreement, it was incumbent upon plaintiff under the pertinent statute of limitations limiting action on an oral contract in the State of California, to have filed any action to enforce the contract within the statutory two-year period. Clearly plaintiff must be deemed to have consented to the repudiation and renunciation of the contract by defendant Schick, Inc. It is well settled that where an executory contract is renounced by one party before full performance by the other, the statute of limitations begins to run from the time of the renunciation where there has been a manifestation of assent to treat the repudiation or breach as a final abandonment of performance, and the statute under such circumstances is a bar to any action on the contract (Williston on Contracts, Rev. Ed., Vol. 6, Sec. 2027, p. 5688; 54 C. J. S., Sec. 127, p. 44). In view of plaintiff's letter of March 14, 1941 [Deft. Ex. D] and plaintiff's neglect to assert any right under the alleged oral agreement for more than the statutory period, the court should not hesitate to enforce the statute of limitations.

**Point 6. The District Court Properly Concluded [Conclusion 3, R. 59] That Claims 1, 11, 26, 27, 28, 29 and 30 of Patent No. 2,228,768 Were Indefinite Within the Meaning of 35 U. S. C. A., Section 33 (R. S., Sec. 4888).**

The District Court found as a fact that claims 1, 11, 26, 27, 28, 29 and 30, along with claims 17, 18, 19, 20, 24 and 25, were invalid because of indefiniteness [Finding 20, R. 55]. The plaintiff in his brief does not specify as error this finding. However, he states at page 9 of the "Opening Brief of Cross-Appellant" that "The defendants offered no evidence whatever even tending to support the finding of 'indefiniteness' as to either the disclosure or claims of patent No. 2,228,768 in suit." Unless this statement is limited to "defendants offered no evidence," it is absolutely contrary to the record. It was not necessary for defendants to have witnesses on this subject as it was amply proved by the testimony of the plaintiff. The indefiniteness of these claims in describing the alleged invention by Jones comprises the fact that all of the claims call for the edges of the head to be round or to merge into the surfaces of the head. The District Court found as a finding of fact that the term "merging" meant that the curved surface or surfaces of the guard elements join the flat surface or surfaces "for the practical purpose of providing shaving comfort to the user" [R. 49]. This finding has not been assigned as error by either party. Therefore, the words "round" or "merging" in the Jones patent merely mean that the corners and edges are round enough to give shaving comfort.

Plaintiff stated that his patent does not tell how much to round the surfaces of the prior Schick devices except by a functional statement; that is, "to accomplish the com-

fort" [R. 195-6]. The description of the patent does not give any definition, and yet the plaintiff admits that the prior Schick razors [Exhibit B] "are somewhat beveled and somewhat rounded" [R. 193]. There is ample proof that Exhibit B was manufactured and sold prior to any conception of the alleged invention of Jones and this is admitted by the plaintiff [R. 192]. In fact, the plaintiff admitted that all prior Schick shavers had the critical surfaces rounded:

"Q. Now, so far as the construction of the shaving head itself is concerned you do not claim that you have added anything to the Schick prior design, except that you have rounded off to a greater extent, these beads in the patent in suit, is that correct? A. So far as that particular phase of improvement is concerned, my only accomplishment was to make those beads larger, with a greater radius, and round them in a better way so as we would have comfort there, instead of the discomfort that was marked and existed in all models that I have ever seen of the earlier shavers.

Q. Now, in those earlier shavers prior to your invention were those surfaces rounded at all? A. Oh, yes, sir. If you look at them with a magnifying glass, you can see that the sharp edges are rounded to some extent.

Q. Does your patent tell you to state how much more to round those surfaces than they had been rounded in the prior Schick devices? A. In no specific manner, I believe. It just teaches the advantage of having a sufficient—in this effect of having a sufficient radius and rounding to accomplish the comfort.

Q. Do you know why those surfaces were rounded at all in the prior Schick razors? A. Well, of course, if they were sharp you would cut your finger on them and cut your face with them.

Q. Weren't they rounded to add comfort to the razor? A. Certainly, to a certain extent, of course, because otherwise you would really cut your face.

Q. All you proposed in so far as this point was concerned, was to round them some more; is that correct? A. Enlarge them and round them some more so far as comfort of these long lateral edges are concerned; that is correct, sir.

Q. Does your patent state how much larger to make them? A. No, sir; not specifically in the specification." [R. 195-6.]

The amount of roundness has not been defined in the specification or description. The only teaching of the patent of how to manufacture a shaving implement in accordance with the alleged invention is that the edges and corners must be round. Plaintiff admitted that prior devices were round in the same places [R. 195-6].

The Jones patent violates R. S. U. S. §4888, 35 U. S. C. A. §33, in that it doesn't "particularly point out and distinctly claim" the invention. This case is exactly the same as to facts as the prior case before this court of *Farmers Cooperative Exchange v. Turnbow*, 111 F. 2d 728. In that case the invention, if any, was held by the court to be "the quantity of colloidal substance used." To use colloidal substances in a similar product was old. In this case the invention, if any, lies in the amount of rounding of the edges of the shaver. Admittedly, rounding of these edges is old. In the *Farmers Cooperative*



case the court held that the description "the quantity of colloidal substance is \* \* \* sufficient to colloidally hold" did not comply with 35 U. S. C. A. §33. The patentee in this case has made the same type of description in his claims. He merely uses the words "rounding into." He does not set forth how round or the critical limits even though he admits that rounding was not new.

Even had he defined the amount of roundness or the curvature in the specification as required by statute, he does not define that roundness or curvature in any of the claims 1, 11, 26, 27, 28, 29 or 30, and this is a requirement placed upon all inventors by Congress which the courts do not have the right to overlook in sustaining a patent.

"\* \* \* Patents, whether basic or for improvements, must comply accurately and precisely with the statutory requirement as to claims of invention or discovery. \* \* \*'" (*Farmers Cooperative Exchange v. Turnbow*, 111 F.2d 728, 732, as quoted from *General Electric Co. v. Wabash Appliance Corp.*, 304 U. S. 364, 368, 58 S. Ct. 899, 901, 82 L. Ed. 1402.)

The claims held indefinite by the District Court clearly violate this principle of law as they attempt to secure a monopoly on all shavers that are round enough to give shaving comfort without describing *in the claims* the amount or degree of roundness necessary.

In *Otis Elevator Co. v. Pacific Finance Corp.*, 71 F. 2d 641, 642 (C. C. A. 9), the court said:

"The complete functional description of the invention contained in Claim 37, which we have elaborated above, was noted by the master in his discussion of the claim; this description, he correctly said, was not



in itself objectionable. But the insufficiency of description, the master explicitly said, lay in the omission of the circuits and circuit closing means, the arrangement and inter-relation of which he had found, in discussing Claim 3, constituted the novelty of the Parker disclosure. Thus the master found, in effect, that Claim 37 was invalid because it attempted to secure a monopoly of the results to be attained through the patentee's invention without limiting the monopoly to the particular means invented for the accomplishment of those results. Cf. *Davis Sewing Mach. Co. v. New Departure Mfg. Co.*, 217 F. 775, 782 (C. C. A. 6, 1914)."

In *Callison v. Pickens, et al.*, 77 F. 2d 62 (C. C. A. 10), the court said (p. 64):

"If the words are construed to include every method of accomplishing the result, the claim is invalid for indefiniteness and uncertainty. A claim, alone or in light of the specifications, must describe a concrete apparatus, not an abstract function. *Jensen-Salsbery Lab. v. O. M. Franklin Blackleg Serum Co.* (C. C. A.), 74 F. (2d) 501; *Elevator Supplies Co. v. Graham & Norton Co.* (C. C. A.), 44 F. (2d) 354."

The lower court found in Finding of Fact 20 [R. 55] that claims 1, 11, 26, 27, 28, 29 and 30 were indefinite. This finding of fact is fully supported by the above set forth testimony. This testimony summarized is that the prior art shavers had round edges and corners for the purpose of giving shaving comfort [R. 195-6] and these claims only define round or merging edges. If there is anything new in making them *round enough to give shaving comfort*, the claims do not define this amount of roundness or merging and are indefinite.

The court, by its Finding of Fact 20, determined that claims 1, 11, 26, 27, 28, 29 and 30 were indefinite. This is a question of fact. The finding is fully supported by substantial evidence and is not *clearly erroneous* and should not be disturbed. (Rule 52(a) of the Federal Rules of Civil Procedure, 28 U. S. C. A. following 723c; *Ralph N. Brodie Co. v. Hydraulic Press Mfg. Co.*, 151 F. 2d 91 (C. C. A. 9); *Maulsby v. Conzeboy*, 161 F. 2d 165 (C. C. A. 9); *Refrigeration Engineering, Inc. v. York Corp.*, decided by this court on June 29, 1948.)

### Conclusion.

It is accordingly respectfully submitted that on plaintiff's cross-appeal the decision of this Court should be as follows:

- (a) Plaintiff's cross-appeal on his second cause of action should be dismissed; but failing such dismissal,
- (b) The judgment of the District Court dismissing plaintiff's second cause of action should be affirmed; and
- (c) The judgment of the District Court holding claims 1, 11, 26, 27, 28, 29 and 30 of the patent in suit invalid should be affirmed.

Respectfully submitted,

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*Attorneys for Cross-Appellees.*









## APPENDIX.

DEPARTMENT OF COMMERCE

United States Patent Office

*To all persons to whom these presents shall come, Greeting:*

This Is to Certify that the annexed is a true copy from the records of this office of the Disclaimer, filed February 21, 1948, being Paper 37, in the matter of the Letters Patent of Ralph E. Jones, Number 2,228,768, granted January 14, 1941, for Improvement in Hair Clipping and Shaving Devices.

In Testimony Whereof I have hereunto set my hand and caused the seal of the Patent Office to be affixed at the City of Washington, this sixth day of July, in the year of our Lord one thousand nine hundred and forty-eight and of the Independence of the United States of America the one hundred and seventy-third.

LAWRENCE C. KINGSLAND,  
*Commissioner of Patents.*

(Seal)

Attest:

D. E. WILSON,  
*Chief of Division.*

Hair Clipping and Shaving Device

Ralph E. Jones

No. 2,228,768

Issued January 14, 1941.

Hon. Commissioner of Patents

Washington 25, D. C.

DISCLAIMER

Sir:

Your petitioner, Ralph E. Jones, a citizen of the United States, residing at 4150 Bedford Drive, San Diego 4, in the County of San Diego and State of California, represents that in the matter of a certain improvement in HAIR CLIPPING AND SHAVING DEVICE, for which Letters Patent of the United States No. 2,228,768 were granted to Ralph E. Jones, on the 14th day of January, 1941, he is the owner of the entire right, title and interest in and to said Letters Patent and that he has reason to believe that through inadvertence, accident and mistake and without any fraudulent or deceptive intention by claims 17, 18, 19, 20, 24 and 25 thereof he has claimed more than that of which he was the original or first inventor or discoverer, and he hereby makes disclaimer of said claims 17, 18, 19, 20, 24 and 25 thereof.

Signed at San Diego, in the County of San Diego, and State of California, this 5th day of February, 1948.

RALPH E. JONES,

Ralph E. Jones.

Witnesses:

G. A. DeVlieg,

ETHEL DeVlieg.

Mail Division U. S. Patent Office, Feb. 6, 1948.

Recorded U. S. Patent Office Issue Division Feb. 21, 1948 Liber 6 Page 895.

No. 11854

IN THE

United States Circuit Court of Appeals  
FOR THE NINTH CIRCUIT

---

SCHICK SERVICE, INC., a corporation, and SCHICK, INC.,  
a corporation,

*Appellants,*

*vs.*

RALPH E. JONES,

*Appellee.*

---

APPELLEE'S BRIEF.

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FILED

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PAUL P. O'BRIEN,



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No. 11854

IN THE

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SCHICK SERVICE, INC., a corporation, and SCHICK, INC.,  
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*Appellants,*

v's.

RALPH E. JONES,

*Appellee.*

---

**APPELLEE'S BRIEF.**

---

**INTRODUCTION.**

This is appellee Jones' answer to the Opening Brief for defendants-appellants in the appeal by defendants from the judgment in this action in plaintiff's favor.

**COUNTER-STATEMENT OF THE CASE.**

The "Statement of the Case" in the Opening Brief for defendants-appellants (p. 3 *et seq.*) is in many respects inadequate, incomplete, and erroneous, and is controverted by the appellee Jones. Defendants' "Statement of the Case" does not appear to comply with Rule 20(c) of this Court, as it seems to be largely argument. For the convenience of the Court, however, we shall present under this same title plaintiff's "Statement" of the facts referred to in defendants' brief. Appellants are designated herein as "defendants," and appellee is designated as "plaintiff."

## The Issues.

Broadly stated, the only issues on defendants' appeal are the validity and infringement of claims 22, 23, 31 and 32 of the Jones patent in suit, No. 2,228,768. More specifically, as stated in defendants' Opening Brief (pp. 3-4), the issues on this appeal are as follows:

(a) Was the invention of the patent in suit, No. 2,228,768, defined by claims 22, 23, 31 and 32 thereof, described in any printed publication prior to the invention or discovery thereof by plaintiff?

(b) Is plaintiff the original and first inventor of any material or substantial part of the invention claimed in claims 22, 23, 31 and 32 of patent No. 2,228,768 in suit?

(c) Does the invention covered by claims 22, 23, 31 and 32 in patent No. 2,228,768 in suit constitute patentable novelty or invention in view of the state of the art and common knowledge in the art prior to plaintiff's invention?

(d) Do defendants' dry shavers, exemplified by Plaintiff's Exhibits 2, 3, 4 and 5 infringe claims 22, 23, 31 and 32 of patent No. 2,228,768 in suit?

In addition, defendants attempt to raise a further defense, *i. e.*, that claims 22, 23, 31 and 32 on appeal are invalid for indefiniteness, defendants' counsel alleging that they fail to comply with 35 U. S. C. A. §33 (R. S. §4888) (Opening Brief, Point IV, p. 26). It is submitted, however, that defendants have waived this defense and that it is not an issue in defendants' appeal in view of the following facts: (1) This defense is not pleaded by defendants in either of their Answers [Tr. 4, 12];



(2) defendants did not suggest to the District Court any finding on this issue; (3) defendants did not specify this issue as a point on appeal under Rule 75(d) of the Rules of Civil Procedure [Tr. 78-86]; (4) defendants did not specify this issue as a point on appeal in accordance with Rule 19(6) of this Court; and (5) defendants have not specified this issue in their "Specification of Errors" in their Opening Brief (p. 16), as required by Rule 20(d) of this Court.

### **The Invention of the Patent in Suit.**

The patent in suit, No. 2,228,768, states that it covers improvement in electric dry shavers of the well-known Schick type [R. 425, Col. 1, lines 1-12]. A sample of such conventional Schick dry shavers is in evidence as Defendants' Exhibit I. A number of such improvements disclosed in the patent in suit (*e. g.*, the combinations defined by claims 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16 and 21) are not involved in this action, and need not be considered by the Court.

A major difficulty with conventional dry shavers prior to the invention of the patent in suit was that the cutting heads thereof were provided with relatively sharp corners and edges at each end of the cutting head, which were very uncomfortable to the users. This difficulty is described in the patent in suit [Tr. 425, Col. 1, lines 13-23; Tr. 426, Col. 2, lines 36-42], and was explained in the testimony [Tr. 152-154, 171]. The members of this Court can readily demonstrate this for themselves by shaving with any of the conventional dry shavers in evidence, as exemplified by Defendants' Exhibits B, F, H and I, none of which includes the invention in suit. Before de-

fendant Schick, Inc., started to use the invention in suit it made and sold over 1,700,000 conventional dry shavers [Tr. 359].

Defendants stress the fact that the patent in suit discloses a dry shaver in which “end guards” are provided to lock the cutting head of the shaver relative to the handle (Opening Brief, pp. 6-7, 32). Although this improvement is covered by a number of claims of the patent (*e. g.*, 2, 3, 8, 9), the defendants’ infringing shavers do not provide any locking between the end guards and the cutting head, and neither such claims nor such improvement is involved in this action. The patent in suit makes it plain that such improvement may be omitted if desired in practicing the invention [Tr. 427, Col. 1, lines 32-36]. consequently, defendants’ statements with regard to such improvement which is not involved in this action are immaterial and need not be considered by the Court.

The patent in suit solved the difficulty of such discomfort in conventional electric dry shavers by providing in combination therewith “end guards” (numbered 20 in the patent), the resulting combination having the following features:

- (a) The patented end guards are *hinged to the handle* of the conventional dry shaver at the ends of the cutting head thereof; and
- (b) The patented end guards, at their outer ends, are *rounded*.

The advantages of the patented construction are clearly set forth in the patent in suit as follows:

“It will be seen that I have secured the following advantages by my construction:

“First, comfort for the person whose beard is being clipped or shaved;

“Second, security against interruption of the mechanical functioning of the clipping machine;

“Third, security against damage to fragile and expensive parts;

“Fourth, ease in disassembling for cleaning and ease in reassembling the parts, and

“Fifth, neatness in construction and appearance.”

A further advantageous result obtained by the use of such rounded end guards on a dry shaver is that the user can obtain a much faster shave than would otherwise be possible. The District Court so found, stating:

“By the invention of the patent in suit, the skin of the user is protected against the relatively sharp edges and corners on the ends of the shaving head, and this provides substantial shaving comfort to the user *which in turn permits a faster shave than would otherwise be possible, which is highly desirable.*” [Tr. 53.] (Emphasis added.)

Colonel Jones, the plaintiff, testified that by the use of such rounded end guards or “whiskits” on the defendants’ “Colonel” shaver [Plaintiff’s Exhibit 3], he was able to reduce his shaving time from about *twenty* minutes to about *three* minutes as compared with earlier conventional Schick shavers [Tr. 152-153], and that even with the late model “Colonel” shaving time is cut in half by the use of the endguards or “whiskits” [Tr. 154]. This testimony of the plaintiff was not refuted or questioned by the defendants. That it is a fact can be readily demonstrated by the members of this Court by shaving with de-

fendants' "Colonel" shaver [Plaintiff's Exhibit 3], first with the end guards in their ordinary closed position, and then removed from the exhibit and comparing the shaving time required in each instance. That the rounding of the end guards of the device in suit provides a substantial advantage is confirmed by the fact that defendant Schick, Inc., has always rounded its end guards of "whiskits" both longitudinally and transversely, although such rounding is not necessary to provide a simple whisker receptacle [Tr. 381-383].

A further advantageous result obtained by such *rounded* end guards is that they enable the user to obtain a *closer* shave. This is pointed out in the defendants' patent to Meyer [Exhibit L-2], which defendants admit describes the purpose of their "whiskits" (Opening Brief, p. 37), and which states as follows:

"The wall sections 11 and the plates 10 present *rounded surfaces* of the respective opposite ends of the head 6, which surfaces, as shown in Fig. 1, serve to work the skin of the face or other part of the body being shaved as to permit the obtaining of a smooth even shave without irritation to the skin. Thus by *such a construction, the valve plate 10 removes that objection to this particular type of head structure for electric razors, such types of head structure by reason of the squared end being objectionable, in that they tend to irritate the skin and to not permit the user to obtain as close and even a shave as is desirable.*" [Tr. 461, Col. 2, lines 41-54.] (Emphasis added.)

The third advantage of the patented construction as stated in the patent, *supra*, is that the end guards protect the ends of the fragile cutting head against damage. This



was pointed out as a practical advantage by Colonel Jones, the plaintiff [Tr. 155], and defendants' witness Quasnovsky pointed out the fact that Exhibit B, one of defendants' conventional shavers, had suffered such an injury to the cutting head [Tr. 303]. The importance of this protective feature will be appreciated from the fact that the slotted shear plate of the cutting head of a Schick dry shaver is only 3/1000ths of an inch thick [Tr. 356], or about the thickness of a piece of paper [Tr. 354], and even the thickened reinforced portions at the ends of the cutting head are only about 18/1000ths of an inch thick [Tr. 356].

The fourth advantage as stated in the patent in suit, *supra*, is the provision of ease of disassembling the device for cleaning and ease in reassembling the parts. It was admitted by defendants' witness, Mr. Gray, that by *hinging* the end guards or "whiskits" of defendants' shavers *to the handle* this cleaning operation is greatly facilitated and is an important advantage [Tr. 388].

It will thus be appreciated that in the invention of the patent in suit the provision of separate end guards which are rounded to increase shaving efficiency and to provide shaving comfort and to thereby reduce the shaving time of the user is of paramount importance, but that the patented construction also derives additional important advantages by mounting the end guards *on the handle*, and by *hinging* them to the handle.

The District Court found as follows:

"The invention of patent No. 2,228,768 is an improvement on prior types of dry shavers and has provided a substantial contribution to the art of dry shavers. It is entitled to be liberally construed and interpreted." [Tr. 53.]



This is plainly established by the evidence. The record shows that since the issuance of the patent in suit the sales of the defendant Schick, Inc., of the alleged infringing devices has amounted to approximately \$20,350,000.00 [Tr. 70-71]. What greater tribute could be paid to an invention than infringement on such a large scale?

The defendants' recognition of the great value and importance of the invention in suit is attested not only by their extensive commercial appropriation of the invention, but it is further evidenced by the fact that immediately after the issuance of the patent in suit defendant Schick, Inc., offered plaintiff \$50,000.00 in cash for the patent [Finding 22, Tr. 55]. When plaintiff declined to sell his patent, defendant Schick, Inc., then negotiated with the plaintiff an exclusive license thereunder for which it agreed to pay plaintiff in cash the sum of \$30,000.00 as an advance against royalties, a royalty of  $1\frac{1}{2}\%$  on the sales price of all shavers sold by it embodying the invention until such royalties should total \$250,000.00, and thereafter a royalty of 1% of such sales price for the life of the patent in suit [Finding 23, Tr. 55-56]. Such action by defendant Schick, Inc., was partially by its general counsel, Mr. Merrick, and, certainly, with the full knowledge of its patent counsel, Mr. Hicks [Tr. 260-261]. What greater recognition of validity and infringement could there be by a defendant than that in this case, where the large defendant corporation, which has net assets in excess of \$2,000,000.00 [Tr. 70], has offered such a sum for the patent in suit and then took a license at such a substantial royalty obligation?

Only four claims of the patent in suit are involved in this appeal, *i. e.*, claims 22, 23, 31 and 32. The District

Court held each of these claims valid, and infringed by each of the Schick dry shavers exemplified by Plaintiff's Exhibits 2, 3, 4 and 5 [Tr. 59-60]. Such claims are copied herewith in full:

"22. A device of the class described having an open-ended channeled head, and rounded guard elements hinged to the device at the opposite ends of said head.

"23. A device of the class described including a handle, an open-ended channeled head, a cutter within the head, and rounded guard elements at the open ends of said head, said elements being hinged to said handle.

"31. An electric razor structure having a head provided with a chamber opening through the respective opposite ends of the head, and end flaps for said chamber hinged to said structure adjacent said ends of the head.

"32. An electric razor structure having a head provided with a chamber opening through the respective opposite ends of the head, and end flaps for said chamber hinged to said structure adjacent said ends of the head, said end flaps having rounded upper sections forming rounded end extensions and bearing surfaces for the razor head."

As will be apparent, claims 22, 23, 31 and 32 of the patent in suit are all combination claims, each defining a combination of mechanical elements. All are specifically limited to an electric razor construction in which separate end guards (or "flaps," as they are termed in claims 31 and 32) are provided at each end of the cutting head, which are *hinged to the body (or handle)* of the structure. All, except claim 31, are specifically limited in

terms to the end guards being *rounded*, it being noted that claim 32 in addition locates the *rounding* at the upper sections of the end guards so as to form rounded end extensions and bearing surfaces for the razor cutting head.

As will also be apparent, the claims on appeal are not for simply “rounding” or simply “hinging” an old element in an old combination of elements, as apparently contended by defendants. If that were all that is involved in the invention, we would not now be before this Court. The claims are, in fact, each for a *new* combination of elements which have the *new* attributes and features defined by the claims. Plaintiff by his patent in suit did not merely change by a matter of degree the shape of any element of a conventional dry shaver. Plaintiff defines a *new* combination of mechanical elements by each of the claims on appeal.

### **The Infringing Devices.**

Defendants’ infringing devices are exemplified by Plaintiff’s Exhibits 2, 3, 4 and 5, and the application of the claims on appeal to Exhibit 3 is illustrated by the charts, Plaintiff’s Exhibits 21-G, 21-H, 21-P and 21-Q [Tr. 163-168], which may be helpful to the Court. The claims on appeal, of course, are similarly applicable to defendants’ shavers exemplified by Exhibits 2, 4 and 5.

The District Court found as follows:

“All of such shavers made and sold by defendants are provided with a device at each end of the cutting head of the shaver and referred to by defendants as a ‘whiskit.’ The ‘whiskits’ in Exhibits 2, 3, 4 and 5 are provided for the same purpose as the end guards 20 of the patent No. 2,228,768 in suit, and by reason thereof accomplish the same result, *i. e.*, the provi-

sion of shaving comfort and a faster shave to the user and permit ready disassembly of the shaving head and cleaning of the device . . . Such 'whiskits' on defendants' shavers are the full mechanical equivalent of the end guards 20 of patent No. 2,228,768 in suit, and infringe each of claims 22, 23, 31 and 32 of said patent." [Tr. 54.]

Such finding by the District Court is self-evident from a reading of the patent in suit and a study of defendants' shavers, Exhibits 2, 3, 4 and 5. Furthermore, defendants admit (Opening Brief, p. 43) that their infringing shavers are manufactured under the Meyer patent No. 2,066,214 [Exhibit L-2, Tr. 458], which states, as to the rounded end guards 10 shown therein that they function to provide shaving comfort as well as to provide a closer and smoother shave. The defendants directly admit that "The patent to Meyer describes the purpose of the 'whiskits' of defendants' accused shavers." (Opening Brief, p. 37.) It is submitted that defendants' current argument that their "whiskits" do not provide shaving comfort comes with ill grace in view of the above-quoted plain statement from their Meyer patent as to the function of such "whiskits," and their admission with regard thereto.

Defendants also argue that because they make their end guards or "whiskits" hollow they thereby provide a whisker receptacle for the beard clipping, which the end guards of plaintiff's patent cannot do, and thereby avoid infringement. As will be apparent to this Court, and as will be pointed out hereinafter, such an argument is immaterial even if true. However, the evidence shows that this assertion by defendants is not true. Thus, while



Mr. Gray, chief engineer of defendant Schick, Inc., testified unequivocally on direct examination that the end guards 20 of the patent in suit would not serve as beard clipping catchers [Tr. 360], upon cross-examination he admitted that such end guards of the patent in suit will retain *some* of the beard clippings [Tr. 388].

### The Prior Art.

The District Court found as follows with regard to the prior art relied upon by defendants:

“ . . . None of said exhibits introduced in evidence by defendants disclose the construction set forth in patent No. 2,228,768. None of such prior art exhibits describe or disclose or suggest a dry shaver wherein the principle, mode of operation, or results attained are equivalent to those of patent No. 2,228,768. Of such prior art patents introduced into evidence by the defendants, Exhibits L-9, L-11, L-12, L-13, L-14, L-15, L-16, L-17 and L-18 were all file-wrapper references considered by the Patent Office in connection with the patentability of the invention covered by patent No. 2,228,768, and none of the other of said prior art patents, nor the catalogue Exhibit M, nor the paper punch Exhibit N, any more nearly disclose the invention in suit than do such prior art patents considered by the Patent Office. All such prior art exhibits introduced into evidence by defendants have so little in common with the invention of patent No. 2,228,768 here in suit as to merit no special separate findings with regard to them.”  
[Tr. 51.]

Plaintiff submits that even a cursory study of such “prior art” will conclusively establish its lack of pertinency



and that the District Court's finding, quoted above, should be sustained.

The only prior art referred to in defendants' Opening Brief is as follows:

Bernard Patent, No. 765,954 [Exhibit L-19, Tr. 550];

The paper punch, Exhibit N;

The McGill catalogue, Exhibit M;

Peterson Patent, No. 1,744,280 [Exhibit L-4; Tr. 470];

Ventimiglia Patent, No. 1,801,889 [Exhibit L-5; Tr. 474];

Friedman Patent, No. 1,516,635 [Exhibit L-6; Tr. 478];

Szabo Patent, No. 1,175,023 [Exhibit L-7; Tr. 484];

Dean Patent, No. 2,014,882 [Exhibit L-8; Tr. 490];

Aaron Patent, No. 1,970,518 [Exhibit L-11; Tr. 512].

No other prior art is referred to by defendants and, consequently, our remarks are limited to the art listed above and the Court may disregard the other prior art patents formerly relied upon by defendant.

Defendants rely heavily upon the ancient "conductor's" punch, shown in the Bernard patent [Exhibit L-19], the McGill catalogue [Exhibit M], and illustrated by the sample punch [Exhibit N]. Such art does not relate to shaving or clipping devices, and there is no suggestion in it

that the punch receptacles thereof could be used in any way with a dry shaver. As a matter of fact, such punch receptacles could not be used on a conventional dry shaver to accomplish the purpose of the patent in suit without substantial changes not suggested in the art. For example, in the Bernard patent the receptacle L is provided with a sharp "projecting flange or lip P," which could not be used on a dry shaver as it would *increase* the discomfort of the conventional shaver. Furthermore, in none of the art is there any question of comfort to the user, and any rounding of the punching receptacle is purely **incidental**. Also, in none of such art is there any conformity of the outline of the punching receptacle to the outline of any other element. Furthermore, in none of such art is the punching receptacle hinged to a *handle* of the punch, in each case being connected merely to the punch *jaws*.

Defendants also rely heavily upon the Peterson patent [Exhibit L-4] which shows an ordinary safety razor of the Gillette type. What this has to do with the invention of the patent in suit we cannot conceive. The Peterson patent, obviously, does not show a dry shaver, or anything that could be put upon a dry shaver to accomplish the purpose of the invention here in suit. Certainly, the curved top 1 of the Peterson patent could not by any stretch of the imagination be applied to a dry shaver. The Peterson patent, obviously, does not show or suggest separate rounded end guards disposed at each end of the cutting head of a dry shaver, which are hinged to the handle thereof.

The patents to Friedman [Exhibit L-6], Szabo [Exhibit L-7], and Dean [Exhibit L-8] all re-

late to hair clipping or cutting devices, none of which shows or suggests the provision of separate rounded end guards for the cutting head of a dry shaver, and none shows or suggests plaintiff's conception of *hinging* such end guards *to the handle* of such a dry shaver.

The patent to Ventimiglia [Exhibit L-5] likewise has no pertinency, merely showing a tubular clipper for nostril hairs. Plainly, it does not show or suggest the use of separate end guards on a conventional dry shaver at each end of the cutting head, or that such end guards should be *rounded*, or that such end guards should be *hinged to the handle* of the shaver.

All of such prior art patents go back a long way in the art. The Bernard patent [Exhibit L-19] issued in 1904, and the Szabo patent [Exhibit L-7] issued in 1916. Yet there is no contention by defendants that any of such prior art patents inspired the use of defendants' "whiskits."

### SUMMARY OF ARGUMENT.

Point 1. Claims 22, 23, 31 and 32 embody invention and are valid.

Point 2. The patent in suit points out and distinctly claims the invention in suit.

Point 3. Defendants' accused shavers infringe claims 22, 23, 31 and 32.

Point 4. The District Court properly rejected the testimony of the witnesses Quasnovsky and Gray.

Point 5. The District Court properly held that the infringement of defendants was "conscious, deliberate, wilful, and wanton."

## ARGUMENT.

### POINT 1.

#### Claims 22, 23, 31 and 32 Embody Invention and Are Valid.

Defendants in their Opening Brief argue that there is no invention in “rounding” alone (pp. 8-12, 19-21) or in “hinging” alone (pp. 22-24). Such arguments are, of course, immaterial even if true because the claims on appeal do not cover either feature alone. All of the claims on appeal are combination claims. Under the law, it is presumed that every individual element of a combination claim is old in the art.

Contrary to the defendants’ assertion (p. 25), the District Court did not determine that either “rounding” or “hinging” is not patentable. The District Court held valid claim 31 which is not limited in terms to any “rounding.”

Defendants’ arguments, however, are false, because:

(a) It is novel and inventive in the art to provide separate end guards for the ends of the cutting head of a dry shaver, which are *rounded and which conform to the general shape of the ends of the cutting head*; and

(b) It is novel and inventive in the art to provide separate end guards for the ends of the cutting head of a dry shaver, which are *hinged to the handle* of the dry shaver adjacent the ends of the head.

These points are discussed briefly as follows:

(a)

There is no prior art of record in this case which shows or suggests the provision of separate end guards for any shaving or hair clipping or cutting device, which are rounded to conform to the general shape of the ends of a cutting head of the device. Consequently, the novelty of such a construction must be undisputed.

That such a construction was not obvious to a "man skilled in the art" is strongly evidenced by the fact that defendant Schick, Inc., made and sold over 1,700,000 dry shavers over a period of years without the inclusion of such improvement before it finally adopted it [Tr. 359]. If such an improvement is now "obvious," as contended by defendants, why was it that it was never "obvious" to the engineering department of the defendant Schick, Inc., a large corporation? It will be remembered that defendants do not assert that their "whiskits" were inspired by any of such prior art here relied upon. In fact, defendants' attorney actually represented to the District Court that defendants' "whiskits" were made only after it saw the patent to Meyer [Exhibit L-2] (which was filed subsequent in date to the patent in suit), as follows:

"Mr. L. S. Lyon: No. This patent to Meyer, which was what inspired these whisk-its, was applied for in August, 1936." [Trial Court, R. 39.]

Also, although defendants' chief engineer, Mr. Gray, admitted that, while it is not necessary in providing a



mere whisker receptacle (as defendants contend that they do) to round such “whiskits” longitudinally and transversely, still this is a very desirable feature and the defendant Schick, Inc., has always done so [Tr. 382-383].

Defendants have always slightly rounded or beveled the corners and edges of the *cutting head itself* in their conventional type of dry shavers, as is usual in the manufacture of metal products, by buffing and polishing during manufacture. Such “rounding,” however, is so minute that it can scarcely be discerned with the naked eye or felt with the finger [*see* the conventional Schick shavers in evidence, Exhibits B, F, H, and I]. Throughout their Opening Brief (pp. 8-13) defendants seek to confuse such minute “rounding” and beveling of the cutting head itself with the rounded end guards of the patent in suit. We are confident that this Court will not look with favor upon any argument by defendants that such buffing of the cutting head itself provides any structure in any way similar to that of the end guards of the patent in suit. Such buffing obviously does not provide the shaving comfort, or speed of shave, or closeness of shave provided by the invention of the patent in suit, nor does it provide any *separate* rounded end guards which are *hinged to the handle*, as specified by the claims on appeal. Such conventional manufacturing practice by defendant Schick, Inc., never suggested to it the provision of its “whiskits” and, therefore, the invention in suit cannot be regarded as obvious therefrom to one skilled in the art.

(b)

There is no prior art of record in this case which shows or suggests the provision of separate end guards for any shaving or hair clipping or cutting device, which are *hinged to the handle* of the shaver adjacent the ends of the cutting head. The novelty of such a construction must be undisputed. That such construction involves invention is amply established by the evidence which is herewith briefly reviewed.

First, such construction never occurred to defendant Schick, Inc., from the prior art, as pointed out above with regard to improvement (a) and, consequently, cannot be even plausibly argued by defendants as "obvious" from such prior art to a man skilled in the art. If Mr. Gray, who has been with defendant Schick, Inc., since 1934, and his extensive engineering department, are not men skilled in the dry shaver art, who would be?

Secondly, defendant Schick, Inc., has always hinged its "whiskits" to the handles of its dry shavers [Tr. 390]. That such construction is not essential is established by defendant's Meyer patent [Exhibit L-2] which shows the "whiskits" connected to, not the handle, but the ends of the cutting head itself. That hinging the guards to the handle is very desirable is also established by the testimony of Mr. Gray upon cross-examination as follows:

"Q. Mr. Gray, is there any advantage in the Schick shavers in having the whisk-its hinged to the shaver, to the body of the shaver as is illustrated by these Exhibits 3, 4 and 5?

"A. As compared to what?

“Q. As compared to having them permanently attached to the shaver in a rigid position?

“A. Well, yes; because if they were attached in a rigid position, to empty them with require removal of the shearing head. We consider that a fragile article that should be handled as little as possible. Therefore the hinged ones would be an advantage.

“Q. So that that is an advantage of the whisk-its on the Schick shavers?

“A. As compared to one that was permanently fastened, yes.” [Tr. 388.]

It is well established that where a defendant pays tribute to a construction by extensive appropriation after a long-felt need in the art it is substantial evidence of invention. *See: Hoeltke v. C. M. Kemp Mfg. Co.*, 80 F. (2d) 912, 919 (C. C. A. 4th, 1936; cert. denied 298 U. S. 673); *Steiner Sales Co. v. Schwartz Sales Co.*, 98 F. (2d) 999, 1005 (C. C. A. 10th, 1938; cert. denied 305 U. S. 662); *General Electric Co. v. United States Electric Mfg. Co.*, 63 F. (2d) 764, 766 (C. C. A. 2d, 1933); *Matthews v. Koolvent Metal Awning Co.*, 158 F. (2d) 37, 38-39 (C. C. A. 5th, 1946).

It is also well established that where a new combination produces new and beneficial results, as does the invention of the patent here in suit, it is strong evidence of invention. This is the old rule of *Loom Co. v. Higgins*, 105 U. S. 580, quoted very recently by this Court in *Bianchi v. Barili*, ..... F. (2d) ....., 78 U. S. P. Q. (Adv. Ops.) 5, 9 (June 15, 1948), as follows:

“‘At this point we are constrained to say that we cannot yield our assent to the argument, that the combination of the different parts or elements for

attaining the object in view was so obvious as to merit no title to invention. Now that it has succeeded, it may seem very plain to any one that he could have done it as well. This is often the case with inventions of the greatest merit. It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beneficial result, never attained before, it is evidence of invention. It was certainly a new and useful result to make a loom produce fifty yards a day when it never before had produced more than forty; and we think that the combination of elements by which this was effected, even if those elements were separately known before, was invention sufficient to form the basis of a patent.' ”

To the same effect, see: *Bliss v. Spangler*, 217 Fed. 394, 397 (C. C. A. 9th, 1914); *Wire Tie Machine Co. v. Pacific Box Corp., Ltd.*, 102 F. (2d) 543, 552 (C. C. A. 9th, 1939); *Hydraulic Press Mfg. Co. v. Ralph N. Brodie Co.*, 51 Fed. Supp. 202 (Aff'd 151 F. (2d) 91; C. C. A. 9th, 1945).

It is therefore respectfully submitted that claim 31 on appeal, which is not limited in terms to rounded end guards, but which is limited to a shaver structure having the end guards (or “flaps”) *hinged* to the structure (or handle) adjacent to the *ends of the cutting head*, clearly defines an invention and is valid over the prior art.

Plaintiff's case is even stronger as to claims 22, 23 and 32 on appeal, because these claims are limited not only to the provision of end guards hinged to the handle, but are also limited to the end guards being rounded. Defendants' argument to the effect that, if all of the elements



of a combination are old the combination is unpatentable, is fallacious on its face. As pointed out above, all the elements of a combination claim are presumed in the law to be old.

That claims 22, 23, 31 and 32 define true patentable combinations is self-evident. There can be no question that the end guards of the patent in suit cooperate with both the cutting head and the handle of the dry shaver, being hinged to the handle and forming end extensions and bearing surfaces for the cutting head. By the provision of such end guards, the ends of the cutting head are protected against injury. By hinging the end guards to the handle, the dry shaver may be readily disassembled for cleaning and reassembled and unnecessary handling of the cutting head obviated. By rounding the end guards as described in the patent, shaving comfort is provided to the user. Thus, each of these features of construction modifies the general function of the end guards, and each feature modifies the other.

Defendants argue that a mere selection of well-known elements and combining them together in a device to not constitute invention, citing a number of decisions of this Court (Opening Brief, p. 25). We agree with this rule of law, but submit that it has no application to the facts of the present case. As shown above, the inventive elements of the claims on appeal are all *novel*, none of them being shown in the prior art.

Invention in the claims of the patent in suit is also strongly evidenced by the initial eagerness of defendant Schick, Inc., to buy it for \$50,000.00, obviously upon advice of its counsel, and by the subsequent eagerness of Schick, Inc., to acquire an exclusive license under the



patent in suit upon substantial royalty terms. See: *Inland Mfg. Co. v. American Wood Rim Co.*, 14 F. (2d) 657, 659 (C. C. A. 6th, 1926); *Motor Improvements, Inc. v. General Motors Corp.*, 49 F. (2d) 543, 545 (C. C. A. 6th, 1931); *Cookson v. Louis Marx & Co.*, 23 Fed. Supp. 615, 618 (D. C. N. Y. 1938).

The prior art relied upon by defendants in this case, and particularly the art relating to "conductor's" punches, falls within the rule of *Topliff v. Topliff*, 145 U. S. 156, 161, as stated by this Court in *Bianchi v. Barili*, *supra*, as follows:

"It is not sufficient to constitute an anticipation that the device relied upon might, by modification, be made to accomplish the function performed by the patent in question, if it were not designed by its maker, nor adapted, nor actually used, for the performance of such functions."

Finally, defendants have wholly failed to carry their burden of proof as to alleged invalidity of the patent in suit, and its validity is strengthened by the finding of the District Court. This rule was stated by this Court recently in the case of *Bianchi v. Barili*, ..... F. (2d) ....., 78 U. S. P. Q. (Adv. Ops.) 5, *supra*, at page 6, as follows:

"At the outset it should be observed that 'the grant of letters patent is *prima facie* evidence that the patentee is the first inventor of the device described in the letters patent and of its novelty' . . .

"Before a patent can be declared invalid because of anticipation its lack of novelty must be established *beyond a reasonable doubt* . . .

“Particularly heavy is the attacker’s burden *when the validity of the patent has been sustained by court findings.*” (Emphasis added.)

In view of the novelty and utility of the constructions defined by claims 22, 23, 31 and 32, the widespread use of these constructions by the defendants, and the acquiescence of defendant Schick, Inc., in the validity of the patent (as evidenced first by its offer to purchase the patent and then by its negotiating an exclusive license under the patent), it is submitted that the claims on appeal plainly define inventions and are valid.

## POINT 2.

### **The Patent in Suit Points Out and Distinctly Claims the Invention in Suit.**

As pointed out above, defendants have waived any defense of lack of compliance of the patent in suit with 35 U. S. C. A. §33 (R. S. §4888). However, defendants’ argument will be briefly answered herein, without prejudice.

First, the decisions relied upon by defendants (Opening Brief, p. 26) are not in point. In both the *General Electric Case* and the *Farmers Co-operative Exchange Case*, the claims defined a composition of matter, whereas the claims here on appeal are for combinations of mechanical elements. In both of such decisions, the only novelty in the claims was stated in functional language, which is not true of the claims on appeal here. Excluding consideration of the word “rounded” in the claims on appeal, they still fully distinguish from the prior art in this case because they all in effect specify end guards for a dry

shaver (new in the art), that such guards are at the opposite ends of an open channeled head (new in the art), that such guards are hinged (new in the art), and that such guards are hinged to the handle (new in the art). Certainly, there is nothing "functional" about any of such limitations, and any argument by defendants that the claims on appeal distinguish from the art solely in functional statements is obviously without merit.

It is to be noted, however, that even the word "rounded" is not "functional." It is descriptive of the shape and contour of the end guards, just as the words "square" or "pointed" would be. Obviously, it is not the purpose of a patent to state physical dimensions, as the size of the parts may be varied without departing from the spirit of the invention. The only requirement of the statute (35 U. S. C. A. §33) and the law is that the claims, when read in the light of the specification and drawing, are sufficiently definite to enable a man skilled in the art to practice the invention. That such is the case as to the present patent is plainly demonstrated by the fact that Mr. Gray, chief engineer of defendant Schick, Inc., had no difficulty in making a model of the device of the patent in suit, Exhibit A [Finding 12, Tr. 50, 361].

It is submitted that all of the claims on appeal are definite within the meaning of 35 U. S. C. A. §33 in view of the following decisions, some of which are quoted at length in Opening Brief of Cross-Appellant on file in this case. See: *Ralph N. Brodie Co. v. Hydraulic Press Mfg. Co.*, 151 F. (2d) 91 (C. C. A. 9th, 1945); *Research Products Co. v. Tretolite Co.*, 106 F. (2d) 530 (C. C. A. 9th, 1939); *Paul E. Hazekinson Co. v. Wilcoxon*, 149 F. (2d) 471 (C. C. A. 5th, 1945); *Schick Dry Shaver, Inc. v. R.*

*H. Macy & Co., Inc.*, 111 F. (2d) 1018 (C. C. A. 2nd, 1940); *Chicago Pneumatic Tool Co. v. Hughes Tool Co.*, 97 F. (2d) 945 (C. C. A. 10th, 1938); *Strong-Scott Mfg. Co. v. Weller*, 112 F. (2d) 389 (C. C. A. 8th, 1940); *Westco-Chippewa Pump Co. v. Auto-Prime Pump Co.*, 57 F. (2d) 556 (D. C. Ohio, 1931).

### POINT 3.

#### **Defendants' Accused Shavers Infringe Claims 22, 23, 31 and 32.**

The District Court held that claims 22, 23, 31 and 32 of the patent in suit are all infringed by each of defendants' devices, Exhibits 2, 3, 4 and 5 [Tr. 59-60]. Obviously, this holding should be affirmed.

The defendants argue that because they do not use their "whiskits" to hold the cutting head on their shavers they do not infringe (Opening Brief, pp. 32-34). This argument is obviously immaterial because: (a) such feature is not specified in any of the claims on appeal; and (b) the patent in suit expressly states that such feature may be omitted if desired [Tr. 427, Col. 1, lines 32-36]. Even if narrowly interpreted, the claims on appeal read directly upon all of the defendants' accused devices. Defendants ask this Court to read into the claims on appeal elements which are immaterial to the issues in this case, but they cite no authority for such a novel proposition. In fact, the law is to the contrary. *See: McCarty v. Lehigh Valley R. R. Co.*, 160 U. S. 110, 116, 40 L. Ed. 358, 361; *White v. Dunbar*, 119 U. S. 47, 30



L. Ed. 303; *Magnavox Co. v. Hart & Reno*, 73 F. (2d) 433, 438 (C. C. A. 9th, 1934).

Next, the defendants argue (pp. 34-37) that because all of the accused devices have thickened reinforcing portions at the ends of and integral with their cutting heads, there is no infringement because the patent in suit does not show such reinforcing portions, and the Schick dry shavers have always had them. The patent in suit, however, is perfectly plain to the effect that the improvements thereof are to be applied to the conventional Schick shavers (p. 1, Col. 1, lines 1-17), which defendants admit had such reinforcing portions on the cutting heads. Furthermore, in defendants' shavers the upper ends of the rounded end guards or "whiskits" plainly merge with the flat face of the cutting head. This is clearly shown in Fig. 1 of defendants' Thomas patent [Exhibit L-3] and is shown in the photographs of defendants' "Colonel" shaver in evidence [Exhibits 16 and 18]. Even if the defendants had added such reinforcing portions to the cutting heads of their shavers after the filing of the application for the patent in suit, it would still not avoid infringement, because, under the law, the mere addition of extra parts to a patented device does not avoid infringement. *See: Stebler v. Riverside Heights Orange Growers' Ass'n*, 205 Fed. 735, 739 (C. C. A. 9th, 1913); *Angelus Sanitary Can Co. v. Wilson*, 7 F. (2d) 314, 318 (C. C. A. 9th, 1925); *Chesapeake & O. Ry. Co. v. Kaltenbach*, 95 F. (2d) 801, 804 (C. C. A. 4th, 1938); *Kelley-Koett Mfg. Co. v. McEuen*, 130 F. (2d) 488, 492 (C. C. A.



6th, 1932); *Butler v. Burch Plow Co.*, 23 F. (2d) 15, 27 (C. C. A. 9th, 1927). Defendants' argument relative to the Aaron patent [Exhibit L-11] is grossly misleading, because the question before the Patent Office in that connection was whether the reinforcing portions of Aaron cutting heads were the equivalent of plaintiff's end guards, and the Patent Office resolved this question in plaintiff's favor by allowing the claims in suit. In any event, it is established by this Court that mere statements by a patent solicitor in a patent file wrapper do not create any estoppel. See: *Fullerton Walnut Growers' Ass'n v. Anderson-Barngrover Mfg. Co.*, 166 Fed. 443 (C. C. A. 9th, 1908).

Lastly, defendants argue that their end-guards or "whiskits" do not achieve shaving comfort as to the end guards of the patent in suit, and that, in fact, their "whiskits" have an entirely different function, *i. e.*, "to collect beard clippings" (pp. 37-38). It is submitted that the first proposition simply is not true, and that the second one is immaterial. For defendants to contend that their "whiskits" do not achieve shaving comfort is directly contrary to the unrefuted testimony of Colonel Jones to the effect that such shaving comfort (and, consequently, a faster shave) is achieved by defendants' "whiskits," and is contrary to the finding of the District Court, and is contrary to fact, as can readily be demonstrated by any member of this Court by personally shaving with Exhibit 2, 3, 4 or 5. It is also contrary to the description of the

“whiskits” in defendants’ Meyer patent [Exhibit L-2] which defendants boldly admit (Opening Brief, p. 37) correctly “describes the purpose of the ‘whisk-its’ of defendants’ accused shavers,” among which is to provide such shaving comfort.

As shown above, Mr. Gray, chief engineer of defendant Schick, Inc., admitted that the end guards of the patent in suit will retain *some* of the beard clippings [Tr. 388]. Consequently, there is no foundation in fact for defendants’ argument that the end guards of the shaver of plaintiff’s patent in suit will not retain beard clippings. Even if this were not true, still the mere addition by defendants of an extra function (*i. e.*, collection of beard clippings) in addition to the functions of the end guards of the patent in suit obviously does not avoid infringement and is immaterial. As pointed out above, under the law the mere addition to a patented combination of something that does not detract from the function of the patented combination does not avoid infringement.

Finally, defendant Schick, Inc., has shown acquiescence in the fact of infringement by first offering \$50,000.00 in cash for the patent in suit and then by taking an exclusive license thereunder at a substantial royalty rate.

It is respectfully submitted that defendants’ accused devices plainly infringe all of the claims on appeal, and that such holding of the District Court was eminently proper.

#### POINT 4.

### **The District Court Properly Rejected the Testimony of the Witnesses Quasnovsky and Gray.**

The District Judge heard the testimony of the witnesses in open Court, and he was best able to judge the credibility of their testimony. Several, among many, instances that support the District Court's finding are briefly given herewith as illustrations.

Mr. Quasnovsky on direct examination testified at length and in detail as to the dates on which various commercial dry shavers had been made and sold by defendant Schick, Inc. On cross-examination, however, he finally admitted that he could not identify which cutting heads went with which shavers [Tr. 311-312]! He also admitted, upon inquiry by the Court, that at the time of some of the events in question he was only eighteen years old [Tr. 322]. He also admitted that he had no relation to defendants' sales [Tr. 307].

As to Mr. Gray, he testified that defendants' "whiskits" do not act as "guards" to protect the face of the user [Tr. 363-364], although defendants' Meyer patent [Exhibit L-2] plainly states that they function to do so, and defendants now admit that the Meyer patent correctly describes the function of the defendants' "whiskits"! Furthermore, Mr. Gray testified that the paper punch receptacle of the conductor's punch, Exhibit N, functions exactly the same as the devices shown in the patent in suit, the defendants' Meyer patent, and defendants' Thomas patent [Tr. 374], yet he had earlier asserted that defendants' "whiskits" do not function the same as those of the patent in suit [Tr. 363-368]. Also, the witness on direct examination asserted that the end guards of the

patent in suit would not catch beard clippings [Tr. 360], but on cross-examination he finally admitted that at least some beard clippings would be caught by the device of the patent in suit [Tr. 388]. Also, upon direct examination, he stated that he had been chief engineer for defendant Schick, Inc., ever since 1938 [Tr. 333], but, upon subsequent questioning by the District Judge, he admitted that for an extended period after 1938 he had not been chief engineer [Tr. 392].

### POINT 5.

**The District Court Properly Held That the Infringement of Defendants was "Conscious, Deliberate, Wilful, and Wanton."**

The District Court found, and the evidence is undisputed, that immediately after the issuance of the patent in suit the defendant Schick, Inc., upon its own initiative, offered plaintiff \$50,000.00 for his patent. The District Court also held, and the evidence shows, that the defendant Schick, Inc., being unable to purchase the patent in suit, entered into an exclusive license contract with plaintiff with the obligation to pay plaintiff very substantial sums as royalty during the life of the patent in suit. The evidence also shows that thereafter the defendant Schick, Inc., attempted to repudiate such license agreement and has since that time forth continued to manufacture and sell the accused dry shavers, brazenly ignoring plaintiff's rights. That the infringement by defendants, since at least as early as January 23, 1941, has been "conscious, deliberate, wilful, and wanton" is plainly shown by the foregoing facts. In addition to the foregoing, defendant Schick, Inc., trading on plaintiff's belief



in the existence of such license agreement between them, which was induced by defendant, induced plaintiff to disclose to it copies of two secret and pending patent applications, which plaintiff would not otherwise have done [Finding 24, Tr. 57-58]. This was a plain fraud upon the plaintiff and clearly shows the bad faith of defendant. That such facts are ample to support the District Court's finding is amply established by the law. *See: Activated Sludge v. Sanitary Dist. of Chicago*, 64 Fed. Supp. 25, 34 (D. Ct. Ill. 1946; aff'd 157 F. (2d) 517; cert. den. 330 U. S. 834); *W. S. Godwin Co. v. International Steel Tie Co.*, 29 F. (2d) 476, 478 (C. C. A. 6th, 1928); *Consolidated Rubber Tire Co. v. Diamond Rubber Co. of N. Y.*, 226 Fed. 455, 463 (C. C. A. 2d, 1915).

There is no evidence in this action that such long infringement has been engaged in by either of the defendants with any belief that they were acting innocently, nor is there any evidence whatever as to why they have brazenly continued such infringement in derogation of plaintiff's rights. While apparently one of their patent counsel advised them that no infringement existed [Exhibit C], the evidence falls entirely short of showing that either of the defendants acted upon any belief in such advice. If, in fact, the executive officers of the defendants believed that their corporations were acting innocently, why was not evidence thereof presented in this case? None of the officers of either defendant testified in this action. Under the law, it may be presumed that if they had so testified their testimony would have been unfavorable to the defendants on this issue. *See: Interstate Circuit v. United States*, 306 U. S. 708, 59 S. Ct. 467, 83 L. Ed. 610; *Hann v. Venetian Blind Corp.*, 111 F. (2d) 455, at 459 (C. C. A. 9th, 1940).



It is submitted that there is substantial evidence of bad faith on the part of defendant Schick, Inc., and that there is no evidence whatever that either of the defendants were acting in good faith. Under such circumstances, the finding of the District Court should not be disturbed. See: *Overman Cushion Tire Co. v. Goodyear Tire & Rubber Co., Inc.*, 66 F. (2d) 361, 362 (C. C. A. 2d, 1933); *Van Kannel Revolving Door Co. v. Uhrich*, 297 Fed. 363, 369 (C. C. A. 8th, 1924).

### Conclusion.

The invention in suit is simple but valuable and the defendants have boldly appropriated it, forcing the plaintiff into protracted and expensive litigation which has been pending since July 6, 1945. Certainly, the conduct of the defendant Schick, Inc., in its relations with plaintiff provides to him all of the equities in this case. Even without considering such equities, however, we respectfully submit that claims 22, 23, 31 and 32 of the patent in suit are plainly valid and clearly infringed. The judgment of the District Court in plaintiff's favor should be affirmed.

Respectfully submitted,

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No. 11854  
IN THE  
**United States Court of Appeals**  
FOR THE NINTH CIRCUIT

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SCHICK SERVICE, INC., and SCHICK, INC.,  
*Appellants,*

*vs.*

RALPH E. JONES,  
*Appellee,*

and

RALPH E. JONES,  
*Appellant,*

*vs.*

SCHICK SERVICE, INC., and SCHICK, INC.,  
*Appellees.*

---

**REPLY BRIEF FOR  
DEFENDANTS-APPELLANTS.**

---

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*Appellees.*

---

## REPLY BRIEF FOR DEFENDANTS-APPELLANTS.

---

The argument upon which plaintiff relies in Appellee's Brief to sustain claims 22, 23, 31 and 32 of the patent in suit is that each of these claims "defines a *new* combination of mechanical elements" (Appellee's Br. p. 10). The alleged combination as defined by claims 22, 23 and 32 consists merely of a rounded end guard or flap which is hinged to the shaver, claim 31 leaving out the element of rounding.

In our Opening Brief (pp. 19-24) we have pointed out that there is nothing inventive either in providing a

rounded end guard or flap for a shaving razor or in hinging the guard or flap to the razor. The alleged combination upon which plaintiff relies is clearly not a patentable combination for it is totally lacking in invention. It is well settled that a combination lacking in invention will not sustain a patent. *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. 84, 90, 86 L. Ed. 58. As said by this court in *R. G. LeTourneau v. Gar Wood Industries*, 151 F. (2d) 432, at 434-5:

“As the Supreme Court explained in *Cuno Engineering Corporation v. Automatic Devices Corporation*, 1941, 314 U. S. 84, 90, 62 S. Ct. 37, 40, 86 L. Ed. 58: ‘We may concede that the functions performed by Mead’s combination were new and useful. But that does not necessarily make the device patentable. Under the statute, 35 U. S. C. §31, 35 U. S. C. A. §31, R. S. §4886, the device must not only be “new and useful,” it must also be an “invention” or “discovery.” \* \* \* Since *Hotchkiss v. Greenwood*, 11 How. 248, 267, 13 L. Ed. 683, decided in 1851, it has been recognized that if an improvement is to obtain the privileged position of a patent more ingenuity must be involved than the work of a mechanic skilled in the art.’ The court stated further, 314 U. S. at page 91, 62 S. Ct. at page 41, 86 L. Ed. 58, ‘A new application of an old device may not be patented if the “result claimed as new is the same in character as the original result” \* \* \* even though the new result had not before been contemplated.’ ”

In his Point No. 1 plaintiff argues that “There is no prior art of record in this case which shows or suggests the provision of separate end guards for any shaving or

hair clipping or cutting device, which are rounded to conform to the general shape of the ends of a cutting head of the device" (Appellee's Br. p. 17). The record completely refutes this assertion. A rounded end guard to provide shaving comfort is shown in the prior Peterson patent No. 1,744,280 [Ex. L-4, R. 470]. The end guards in the Peterson patent comprise the shields 4 shown in the drawings and described in the specification of the Peterson patent. The patent states that the purpose of these guards is as follows:

"It will be observed, therefore, that I have provided a safety razor which is easy to construct and maintain and which may be used to shave depressed or concave skin areas of the body, such as the arm pits without fear of injury from the corners of the razor blade. The fact of the matter is, it may be used with greater comfort upon smooth surfaces of the face and body than can the ordinary razor and my improved razor may, therefore, be said to be adapted to shave any part of the human body without fear of injury thereto." [R. 472, col. 2, lines 68-79.]

The end guards or shields 4 of the Peterson patent are formed integral with the body portion 1 of the shaver shown in the Peterson patent, but the idea of forming a separate end guard for a shaver is shown in the prior patent to Dean No. 2,014,882 [Ex. L-8, R. 490]. The separately formed guards in the prior Dean patent are the knobs 18 shown in the drawings and described in the specification of the Dean patent.

The separate forming of the end guards and their hinging to the shaver does not constitute a combination which is patentable. This is conceded by the statement in the patent in suit reading as follows:

“While I have described both guards 20 as being hinged or pivoted by means of the pivot pins 23, I do not wish to be limited to this as it is obvious that one of these guards, or both of them, might be permanently fixed in closed position and rigidly attached to the handle.” [R. 427, col. 1, lines 24-29.]

The asserted combination is thus expressly definitely disclaimed.

Appellee's Brief (p. 5) reiterates the alleged advantages set forth in the patent in suit and argues that these are due to the asserted new combination. The first of these advantages (comfort) was fully known and taught in the prior art as shown, for example, in the prior Peterson and Dean patents above-mentioned. The second of these advantages (security against interruption of the mechanical functioning of the clipping machine) is equally well shown in the prior Dean patent. So likewise is the third of the stated advantages (security against damage) inherent in the guards of the Peterson and Dean patents. Defendants do not use the fourth advantage (ease in disassembling and reassembling). This advantage in plaintiff's patent is stated in the patent to be provided by using the hinging guards to hold the head upon the handle and do away with the set screw of the Schick shaver [R. 425, col. 1, lines 24-39]. Defendants' accused shavers use a set screw to hold the head upon the handle and do not employ the whisk-it members for that purpose. The defendants' accused shavers cannot be cleaned in the manner described in the patent in suit. The manner of



cleaning described in the patent in suit is by blowing through the opening 35 [R. 426, col. 2, lines 64-70]. There is no hole in the whisk-its of the defendants' accused shavers corresponding to the opening 35. The shavers of the prior Peterson and Dean patents are just as neat in construction and appearance (plaintiff's fifth stated advantage) as the shaver of the patent in suit.

The argument upon which plaintiff relies in Appellee's Brief (pp. 26-29) to show that the defendants infringe the alleged new combination is based on a misconception of well-settled patent law. The fact that defendants' accused shavers may contain each of the elements of the claims in issue is not sufficient in patent law to show that defendants use the combination of the patent. Each of the elements of the claims in suit is admittedly old. It is well-settled patent law that a defendant may utilize each of these old elements without infringing the claims of the patent in suit if defendant's device is substantially different from that of the patent in suit and performs different functions or the same functions in substantially a different way. This is because the elements being old, the defendant is as free as the patentee was to utilize those elements, providing he produces a substantially different device.

As said in *Safety Car Heating & Lighting Co. v. Gould Coupler Co.*, 245 Fed. 755, at 760 (D. C. W. D. N. Y.):

"It is not enough, where the patentee's claims are also for a combination of old elements, for a complainant to point out substantially the same elements in combination in a defendant's structure. It must also be shown by preponderating evidence that a defendant's system performs substantially the same function in substantially the same way."

To the same effect is *Milwaukee Carving Co. v. Brunswick-Balke Collender Co.*, 126 Fed. 171, at 184 (C. C. A. 7), where the court said:

“The patent is granted for the combination, as ‘the particular means devised by the inventor by which that result is attained,’ and the patentee is entitled to protection against any use of the same combination of elements, combined in the same way, so that each element performs the same function, or against substantially the same use with deviations which are merely colorable. But each of these well-known elements remains open to the use of the subsequent inventor for a different combination for like results. *Electric Signal Co. v. Hall Signal Co.*, 114 U. S. 87, 96, 5 Sup. Ct. 1069, 29 L. Ed. 96.”

As said in *Gill v. Wells*, 22 Wall. (89 U. S.) 1, at 14:

“Valid letters patent may be granted for an invention which consists entirely in a new combination of old ingredients, provided it appears that the new combination of the ingredients produces a new and useful result; but the rule is equally well settled, in such a case, that the invention consists merely in the new combination of the ingredients, and that a suit for an infringement cannot be maintained against a party who constructs or uses a substantially different combination, even though it includes the exact same ingredients.”

See, also:

*American Steel & Wire Co. v. Denning Wire & Fence Co.*, 176 Fed. 564, at 565; affirmed 194 Fed. 117 (C. C. A. 8).

That the defendants' accused shavers embody a different combination of the admittedly old elements from that found in plaintiff's patent cannot be disputed. In the accused shavers, defendants' whisk-its do not perform substantially the same functions as in the patented device or perform these functions in substantially the same way. As pointed out in our Opening Brief, and not denied by plaintiff in his brief, defendants' whisk-its serve the purpose of a reservoir or hair collector and plaintiff's patent does not; plaintiff's guards or flaps are utilized to hold the head in position without the necessity of using a set screw and defendants' whisk-its are not.

The assertion in Appellee's Brief (pp. 2-3) that defendants have waived the defense that claims 22, 23, 31 and 32 are invalid for indefiniteness is manifestly without substance. This defense was sustained by the court below as to claims 1, 11, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29 and 30, and this ruling is before this court on plaintiff's cross-appeal. This defense was urged to the court below as to all of the claims in issue of the patent in suit, including claims 22, 23, 31 and 32. In sustaining the latter claims, the court overruled the defense as to those claims. In answer to plaintiff's argument that this defense was not pleaded by the defendants, we need only call to the court's attention the language of Rule 15(b) of the Rules of Civil Procedure which provides that, when issues not raised by the pleadings are tried by express or implied consent of the parties, they shall be treated in all respects as if they had been raised in the pleadings, and that any amendments to cause them to conform to the evidence and to raise the issues may be made upon motion at any time, even after judgment, but that "failure so to amend does not affect the result of the trial of these

issues.” This rule has been applied by this court in *United States v. Cushman*, 136 F. (2d) 815. Plaintiff says that we did not suggest to the District Court any finding on this issue as to claims 22, 23, 31 and 32. These claims were sustained by the lower court, and the lower court ordered plaintiff to prepare the findings as to them [R. 417]. It is not true that defendants have not adequately specified this issue as a point on this appeal. In our Concise Statement of Points filed in the District Court pursuant to Rule 75(a) of the Rules of Civil Procedure, Point XXI [R. 85] specifies that the trial court erred in holding that claims 22, 23, 31 and 32 define a new and useful invention and are valid. Under Rule 19(6) of this court we have filed [R. 420] a Notice of Adoption of the Statement of Points filed in the District Court. In the specification contained in our Opening Brief on this appeal (p. 16), we specified: “1. The court below erred in failing to hold that claims 22, 23, 31 and 32 in suit are void for lack of invention.” In answer to plaintiff’s assertion that invention may be found in the rounding of the guards or flaps 20 of the patent in suit, we have pointed out fully in our Opening Brief that the claims do not specify the degree of roundness necessary to distinguish from the roundness admittedly present in the prior Schick shavers and that, therefore, the patent cannot be sustained on plaintiff’s argument. This constitutes Point 4 of the Summary of Argument (p. 18) set forth in our Opening Brief on this appeal, which point is covered in our Opening Brief at pages 26-30. Certainly plaintiff cannot complain that he has not been at all times fully advised of this point. He has attempted to answer the point in his brief (pp. 24-26).

Plaintiff’s argument that the word “round” is not functional is fully answered by the decision of this court in



*Farmers' Cooperative Exchange v. Turnbow*, 111 F. (2d) 728, cited in our Opening Brief on this appeal. To the same effect is the decision of this court in *Otis Elevator Co. v. Pacific Finance Corp.*, 71 F. (2d) 641, 642. Plaintiff's argument might have some validity if it were not for the fact that the prior Schick shavers were admittedly rounded to some extent to avoid scratching and cutting. The latter is admitted in Appellee's Brief (p. 18). Since the purported invention consists in an alleged greater degree of rounding, the indefiniteness of the claims is clearly established by the ruling of this court in the *Farmers' Cooperative* case aforesaid.

Plaintiff argues that the claims, when read in the light of the specification and drawings, are sufficiently definite to enable a man skilled in the art to practice the invention. In answer to this we call attention to the fact that the specification is entirely silent as to the degree of rounding. Plaintiff calls attention to the fact that Mr. Gray, Chief Engineer of defendant Schick, Inc., produced a model of the device of the patent, which model is Exhibit A. This model was made by defendants exactly in accordance with the proportions shown in the drawings of the patent in suit. No one at the trial had ever attempted to shave with this exhibit, or any device made in accordance with the drawings of the patent in suit. Plaintiff was quite uncertain on cross-examination as to whether Exhibit A was sufficient for the purpose stated in his patent [R. 179]. It is highly significant that the testimony of plaintiff as to the shaving comfort afforded by a proper rounding was based by plaintiff on his experience with one of defendants' accused Schick shavers and not on any experience with any device built in accordance with the drawings or specification of his patent.



The whisk-its in defendants' accused shavers are shaped so as to provide a reservoir to receive the beard clippings, and this shape provides them with a roundness far different in degree from anything appearing in plaintiff's patent.

The assertion that a man skilled in the art could practice the alleged invention by following the specification and drawings is not an answer to our point that the claims are void for indefiniteness. This exact proposition is settled by the decision of the Supreme Court in *General Electric Co. v. Wabash Appliance Corp.*, 304 U. S. 397, at 398, 82 L. ed. 1402, at 1405, where Mr. Justice Reed said:

"We may assume that Pacz has sufficiently informed those skilled in the art how to make and use his filament. The statute has another command."

That command is that claims definitely limit the scope of the patent so as to distinguish precisely what is covered by the patent from what is not. As further said by Mr. Justice Reed in the *Wabash* case:

"Congress requires of the applicant 'a distinct and specific statement of what he claims to be new, and to be his invention.' Patents, whether basis or for improvements, must comply accurately and precisely with the statutory requirement as to claims of invention or discovery. The limits of a patent must be known for the protection of the patentee, the encouragement of the inventive genius of others and the assurance that the subject of the patent will be dedicated ultimately to the public."

It is the requirement that the claims in suit do not fulfil.

The argument in Appellee's Brief (p. 23) that the grant of the patent in suit is *prima facie* evidence of its validity

overlooks the fact that the principal prior art relied upon by defendants was not found and cited by the patent examiner. This is true of all of the prior patents referred to in our Opening Brief (pp. 8, 11-12, 20) and of the punch [Ex. N]. It is well settled that a patent is denuded of the usual *prima facie* presumption of validity where the prior art was not found and cited by the examiner. *Mettler v. Peabody Engineering Corp.*, 77 F. (2d) 56, 58 (C. C. A. 9); *Stoody Co. v. Mills Alloys, Inc., et al.*, 67 F. (2d) 807, 810 (C. C. A. 9).

The attempt in Appellee's Brief (p. 8) to support the patent in suit by the claim that defendants have recognized the alleged value and importance of the alleged invention in suit is entirely without foundation. The fact that some \$20,000,000 worth of Schick shavers have been sold equipped with defendants' whisk-its cannot avail plaintiff, because, as found by the District Court [R. 48], several times this amount of Schick shavers (1,700,000) were sold between 1931 and 1939 before the adoption of the whisk-its. Furthermore, defendants' whisk-its are not the same as the guards or flaps 20 of the patent in suit, as we have pointed out in this brief and in our Opening Brief. As pointed out by this court in *Heath v. Frankel*, 153 F. (2d) 369, 371, commercial success is of no avail to sustain the validity of a patent where the commercial success is not attributable to the patented device. It must be remembered in this case that Schick was not inspired to adopt its whisk-its by anything invented by plaintiff or shown in the patent in suit. Plaintiff first communicated his alleged invention to defendant Schick, Inc., in June 1940 [R. 232]. Defendants' accused whisk-its were first produced by Mr. Burns (Sales Manager of Schick, Inc.) in the summer of 1938 [R. 369] and Mr. Burns ac-

quired an assignment of the Meyer patent [Ex. L-2] showing the whisk-its; and they were adopted and put out by the Schick company in 1939 [R. 370]. Plaintiff admitted at the trial that he knew of their use in 1938 or early in 1939. This is not a case where the defendants copied anything from the plaintiff. Defendants had the accused devices in regular sale for a very substantial time before ever learning anything of plaintiff or his alleged invention.

It is true that, upon learning of the issue of the patent in suit, representatives of defendant Schick, Inc., called on plaintiff and endeavored to buy the patent in suit. They arrived subsequent to plaintiff having mailed a notice of infringement to their company [Ex. 8, R. 431-433]. Their attempt to buy the patent in suit under these circumstances should not be misconstrued. It was entirely logical for Schick, Inc., to attempt to purchase the patent and thereby avoid a law suit, irrespective of the strength of the patent. The time and expense involved in litigating a patent suit is a matter of common knowledge. As said in *International Flatstuck Check Book Co. v. Young & Selden Co.*, 284 Fed. 831, 832 (C. C. A. 4):

“Especially in minor patents those engaged in the trade or art often prefer to pay the license fee rather than go to the expense and trouble of contesting a doubtful patent.”

When confronted with plaintiff's successive demands, Schick, Inc., obtained the advice of its patent counsel upon the merits of the patent in suit. Its patent counsel advised plaintiff that “in the light of the prior art, we have advised the Schick Company that we do not agree with your views and that in our opinion you have no valid claim

for infringement" [Ex. C, R. 449]. In view of this advice, the Schick company refused to go further in its negotiations with plaintiff and elected to stand suit. Certainly there is nothing in these circumstances that constitutes a recognition of plaintiff's patent.

The attempt in Appellee's Brief (pp. 30-31) to find something wrong with the testimony of Quasnovsky and Gray in no manner is a response to Point 7 of our Opening Brief (p. 39), where we state that the court below erred in rejecting the testimony of these witnesses as to the manufacture and sale of Exhibits B, F, H and I. As we pointed out, the testimony of these witnesses as to these exhibits is corroborated by documents and by the admissions of plaintiff himself. Nowhere in Appellee's Brief is there any attempt to refute the testimony of these witnesses that Exhibits B, F, H and I were made and sold as stated in their testimony, and nowhere is there any attempt by plaintiff to overcome the admission of plaintiff himself that the prior Schick shavers had the degree of rounding testified to by Quasnovsky and Gray.

In attempting to sustain the finding of the court below as to wilful infringement (Appellee's Br. pp. 31-33), plaintiff is unable to deny the law to be as stated under Point 8 in our Opening Brief (p. 41), or to argue that the validity of the patent in suit was not reasonably debatable. It would be futile for plaintiff to attempt to do so because the court below has found most of the claims in issue to be invalid and admitted his doubt as to the validity of those sustained. In lieu thereof, the plaintiff charges defendant



Schick, Inc., with bad faith in the premises. This charge is the subject of plaintiff's cross-appeal. It is unnecessary for us to restate here the arguments that are being presented on that cross-appeal. There is no basis whatever for the assertion that plaintiff's charge of infringement has not been defended in this case in good faith and on the honest belief that the validity of the patent in suit is open to dispute. There is of record the letter [Ex. C, R. 449] to plaintiff from defendants' patent counsel stating that they have informed the Schick company that, in their opinion, plaintiff has no valid claim for infringement of the patent in suit. As we have shown in our answer to plaintiff's cross-appeal, the Schick company acted on this advice. With this evidence before the court, there was certainly no need for our calling an officer from the Schick company to testify that the Schick company "acted upon any belief in such advice," if indeed the court would permit such testimony.

Respectfully submitted,

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No. 11854

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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RALPH E. JONES,

*Cross-Appellant,*

*vs.*

SCHICK SERVICE, INC., a corporation, and SCHICK, INC.,  
a corporation,

*Cross-Appellees.*

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## REPLY BRIEF OF CROSS-APPELLANT.

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No. 11854

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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RALPH E. JONES,

*Cross-Appellant,*

*vs.*

SCHICK SERVICE, INC., a corporation, and SCHICK, INC.,  
a corporation,

*Cross-Appellees.*

---

## REPLY BRIEF OF CROSS-APPELLANT.

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On the cross-appeal by plaintiff, the defendants have filed an answer entitled "Brief of Cross-Appellees," and this brief is plaintiff-cross-appellant's reply thereto. The points in Brief of Cross-Appellees are replied to herein *seriatim*.

### I.

## COUNTERSTATEMENT OF THE CASE.

### Second Cause of Action.

The evidence is undisputed that at the time plaintiff Colonel Jones and Mr. Cordiner (president of defendant Schick, Inc.) shook hands and both said, "it's a deal," they had fully agreed upon a contract covering the following six subjects:

1. The subject matter licensed (*i. e.*, the patent in suit);
2. The term of the license (*i. e.*, the life of the patent in suit);
3. The scope of the license (*i. e.*, an exclusive license to defendant);



4. The royalty rate (*i. e.*, first  $1\frac{1}{2}\%$  and later  $1\%$ );
5. The basis of computation of the royalty (*i. e.*, the defendant's sales price); and
6. An advance of \$30,000.00 in cash from defendant to plaintiff (to be credited against subsequent royalties).

Defendants' attorney, Mr. Macdonald, admitted to the Trial Court that no other provisions of the contract had been discussed by the parties up to the time of the hand shaking. [Tr. 405.]

It is most important for this Court to appreciate that up until the hand shaking there was no discussion between the parties as to later agreement as to *any other terms*. All of the subsequent discussion and correspondence between the parties (some of which is set forth at great length in the Brief of Cross-Appellees, pp. 3-9) were as to things that occurred to the parties *after* they had come to full agreement on the six basic elements of the contract listed above.

### **First Cause of Action.**

Defendants continue to seek to confuse the slight rounding or bevelling of the corners and edges of the cutting heads of their shavers (which was conventional manufacturing practice) with the provision of separate rounded end guards (which is the construction of the patent in suit). (Brief of Cross-Appellees, pp. 11-13.) Such conventional rounding or bevelling is by buffing or polishing, and is simply to reduce the sharpness of the edges and corners of the conventional steel cutting head. The defendants' statement (p. 11) is *false* that "The patent in suit describes that all of the surfaces of the

shaving head should be rounded off to provide shaving comfort," there being not a single word in the patent in suit to support such a statement, as none of the claims in suit nor the specification of the patent refers to such a feature.

Defendants' statement that the claims on appeal describe no mechanical part not present in the conventional Schick Shavers (p. 12) is obviously erroneous. There is no contention by defendants that they ever used their "whiskits" or any other type of separate, rounded end-guards prior to the invention of the patent in suit, and the evidence is clear that such "whiskits" were not used until 1939, years after the filing of the application for the patent in suit.

## II.

### SUMMARY OF ARGUMENT.

*Point 1.* Plaintiff is not estopped to continue to seek relief in the alternative.

*Point 2.* The District Court's finding [Finding 23, Tr. 55, 56], that plaintiff and defendant entered into an oral patent license agreement, should be sustained.

*Point 3.* The oral license is not barred by the Statute of Frauds.

*Point 4.* Defendant Schick, Inc., is estopped to assert the invalidity of the patent in suit as a defense to the second cause of action on the contract.

*Point 5.* Plaintiff's second cause of action on the contract is not barred by Section 339(1) of the California Code of Civil Procedure.

*Point 6.* Claims 1, 11, 26, 27, 28, 29 and 30 are not invalid for indefiniteness.

*Point 7.* Claims 1, 11, 26, 27, 28, 29 and 30 are not invalid for lack of invention.

III.

ARGUMENT.

**Point 1. Plaintiff Is Not Estopped to Continue to Seek Relief in the Alternative.**

Defendants' contention that plaintiff has accepted benefits under the first cause of action is erroneous. No injunction has ever issued in this action. How plaintiff could be benefited by an injunction which has not issued is not clear to us. The surety bond voluntarily posted by the defendants in this case is plainly consistent with plaintiff's recovery on either cause of action in this case, computation of the bond being on the basis of the royalty required by the oral license agreement between the parties. All of the cases cited by defendants on this point are plainly distinguishable on the facts.

The proper rule is stated in *Automobile Ins. Co. v. Barnes-Manley Wet Wash Laundry Co.*, 168 F. (2d) 381 (1948), in which the Court, at pages 386-387, held:

"Moreover, the right to plead inconsistent causes of action and to seek relief in the alternative given by the Rules of Civil Procedure is not limited to the trial in the District Courts. Such right with respect to controversial questions of law obtains until final disposition on appeal. The motion is without merit and is denied."

**Point 2. District Court's Finding 23 That Plaintiff and Defendant Entered Into an Oral Patent License Agreement Should Be Sustained.**

As pointed out above under Counterstatement of the Case—"Second Cause of Action," the evidence is undisputed that the parties fully and definitely agreed upon *six* basic terms of the license contract at the time of the hand shaking, and that neither the hand shaking nor the agreement was conditioned in any way upon anything further.

It is asserted by defendants (p. 24) that there was no "hiatus" in the conversation between plaintiff and Mr. Merrick and Mr. Cordiner at the time of the agreement. We do not know what defendants mean by a "hiatus." It must be remembered, however, that just prior to the hand shaking, plaintiff, Colonel Jones, made his offer (complete in every respect) and that then Mr. Cordiner and Mr. Merrick excused themselves, left the room, and had a private conference before returning to the room where Mr. Cordiner said, "It's a deal," at which time the hand shaking took place. [Tr. 130-131, 270-271.] This overt act definitely broke the discussion into two separate parts, and clearly indicates that the hand shaking was a seriously considered event.

The cases cited by defendants (pp. 22-24) are all distinguishable on their facts from the facts in the present case. In none of such cases had the parties orally come to a complete agreement on every term necessary to the contract in question, and in most of them terms were discussed but unsettled at the time of the preliminary



agreement. That is not the situation here. In the present case, all vital terms were agreed upon at the hand shaking, and nothing previously discussed was left to future agreement.

It is respectfully submitted that nothing that took place between the parties after the hand shaking is material, because the contract was complete at the time of the hand shaking.

It is also respectfully submitted that it is immaterial whether either party thought it was bound by the oral agreement. In determining the existence of a contract, only the overt acts and words of the parties are of importance, and their secret intentions are immaterial. *See*: Williston on Contracts (1926 Ed.), Sections 21 and 28; 12 American Jurisprudence 509, 515-517; *Purdy v. Buffoms*, 95 Cal. App. 299, 272 Pac. 770. The rule was stated by Judge Learned Hand in the case of *Hotchkiss v. National City Bank of New York*, 200 Fed. 293 (D. C., N. Y., 1911), as follows:

“ . . . A contract has, strictly speaking, nothing to do with the personal, or individual, intent of the parties. A contract is an obligation attached by the mere force of law to certain acts of the parties, usually words, which ordinarily accompany and represent a known intent. If, however, it were proved by twenty bishops that either party, when he used the words, intended something else than the usual meaning which the law imposes upon them, he would still be held, unless there were some mutual mistake, or something else of the sort. . . . ”



**Point 3. The Oral License Agreement Is Not Barred  
by the Statute of Frauds.**

**(a)**

In its answering brief defendant Schick, Inc., fails to meet the point raised by plaintiff that the Statute of Frauds applies only to bilateral contracts which are executory in nature.

Defendant attempts to distinguish the case of *Emerson v. Universal Products Company, Inc.*, 162 Atl. 779, on the ground that there it was admitted that the oral license contract was entered into and the patented devices sold under the agreement, whereas in this case, defendant Schick, Inc., has denied entering into the license agreement. But since the Trial Court found in the instant case that the oral contract granting the license was in fact made [Tr. 55-56], it is impossible to see wherein the factual differentiation lies.

Defendant also suggests that there is another line of cases, contrary to the *Emerson Case* and other cases cited by plaintiff, which hold that an oral patent license agreement is unenforceable under the Statute of Frauds, citing *Buhl v. Stephens* and *Kurtz v. Ford Motor Co.* (p. 33). An examination of these cases shows that they do not in fact represent an opposing view. In the *Emerson Case*, as in the case at bar, the oral contract itself conferred the license. The result was a unilateral contract, a type which does not fall within the Statute of Frauds. In the two cases cited by defendants there was only an oral promise to give a license *in the future* resulting in a bilateral or purely executory contract.

In the present case a contract fully executed on one side resulted from plaintiff's parol grant of the license. From

the time of the making of the contract nothing remained to be done but the payment of money by defendant. It is submitted, therefore, that the contract was never in the class of contracts subject to the Statute of Frauds.

(b)

Defendant also contends that, assuming the Statute of Frauds is applicable to this contract, there arose no estoppel to assert it by any conduct on defendant's part. The basis of this argument is that the acts of plaintiff induced by defendant were not referable to the contract and therefore could not take it out of the Statute of Frauds.

As stated in *Rice v. McCarthy*, 73 Cal. App. 655, 239 Pac. 56 (1925), page 58:

“To constitute estoppel in pais it is axiomatic that the party estopped should have knowledge of the facts and should so act as to lead the party asserting the estoppel to do *what he otherwise would not have done.*” (Emphasis added.)

The Trial Court has found these requisites here. Moreover, where an estoppel, as distinguished from part performance, is raised, the conduct creating the estoppel may be completely independent of the contract. This is clearly pointed out in *Feeney v. Clapp*, 126 Cal. App. 729, 15 Pac. (2d) 178 (1932), where the Court stated, page 180:

“Although a contract may be within the Statute of Frauds, yet if the conduct of the party relying thereon has been such as to raise an equity *outside of and independent of the contract* he may be estopped to make that defense.” (Emphasis added.)

**Point 4. Defendant Schick, Inc., Is Estopped to Assert the Invalidity of the Patent in Suit as a Defense to the Second Cause of Action on the Contract.**

It is well established in the field of patent law that as long as the licensor-licensee relation exists, a licensee is estopped to assert the invalidity of the patent under which he is licensed. *See:*

*Kinsman v. Parkhurst*, 18 How. 289, 15 L. Ed. 385;

*United States v. Harvey Steel Co.*, 196 U. S. 310, 49 L. Ed. 492;

*Eureka Co. v. Bailey Co.*, 11 Wall. 488, 20 L. Ed. 209;

Walker on Patents, Deller's Ed., Sec. 383, and cases cited.

Nor can a licensee unilaterally and without cause terminate the license agreement, and the license contract is not at an end merely because notice is given by the licensee to the licensor that it repudiates the contract. In discussing the effect of such a renunciation the Supreme Court said in *St. Paul Plow Works v. Starling*, 140 U. S. 184, 35 L. Ed. 404, 408:

"We are of the opinion that the license, in the absence of a stipulation providing for its revocation, was not revocable by the defendant, except by mutual consent or by the fault of the other party. If the plaintiff, after receiving the notice, had sued the defendant for infringement, he would have been properly regarded as acquiescing in the renunciation; but, instead of that, he elected to regard the license as still in force, and brought an action to recover the royalties provided for by it, which he was entitled to

do. *Marsh v. Harris Mfg. Co.*, 63 Wis. 276; *Patterson's App.*, 99 Pa. 521; *Union Mfg. Co. v. Lounsbury*, 41 N. Y. 363.

"The defendant could not coerce the plaintiff into putting an end to the contract, by the means it adopted. It must bring a suit to set aside the contract before it can be allowed to say that, in regard to what it afterwards does, it does not act under the contract. . . ."

**Point 5. Plaintiff's Second Cause of Action on the Contract Is Not Barred by Section 339(1) of the California Code of Civil Procedure.**

This point of defendants was never presented in the Trial Court and accordingly no findings of fact or conclusions of law were made thereon.

It is well settled that an appellate court will not consider questions of law which are not raised and passed upon in the court below. *See*:

*Fleischmann Const. Co. v. U. S.*, 270 U. S. 349, 70 L. Ed. 624 (1926);

*Virtue v. Creamery Package Mfg. Co.*, 227 U. S. 8, 57 L. Ed. 393 (1913);

*Ex parte Keizo Kamiyama*, 44 F. (2d) 503 (C. C. A. 9, 1930);

*Hebets v. Scott*, 152 F. (2d) 739 (C. C. A. 9, 1945);

*Century Furniture Co. v. Bernhard's*, 82 F. (2d) 706 (C. C. A. 9, 1936).

Clearly this defense is a mere afterthought which it is submitted should not be initially considered by this Court.



In any event it is clearly without merit since the Trial Court found [Tr. 56]:

“Defendant Schick Inc. never performed any of its obligations under said oral contract, although requested to do so by plaintiff; and defendant breached and repudiated said oral contract. *Plaintiff at all times offered to perform all his obligation under said oral contract, but defendant Schick Inc. refused to accept performance by plaintiff.*” (Emphasis added.)

The assertion of defendants in their brief that plaintiff consented to the repudiation and renunciation of the contract by defendant Schick, Inc., and thereby initiated the running of the statute, is contrary to this finding of the Trial Court. Moreover, the rule of law cited in support of this position taken by defendant from 54 C. J., Section 127, page 44, must be qualified by the following language which amplifies and is quoted from this same paragraph of Corpus Juris, as follows:

“In order for this rule to apply, the party to whom the renunciation is made must accept it as a breach and treat the contract as at an end.”

In the present case, the promise of defendant was a continuing one during the life of the patent to pay money in installments as the royalties became due. The rule in California as to the commencement of the limitation period on such contracts is stated in 16 California Jurisprudence, Limitation of Actions, Section 111, as follows:

“Where a contract or judgment provides that money is payable in installments the statute runs upon each installment from the time that action may be brought thereon.”



**Point 6. Claims 1, 11, 26, 27, 28, 29, and 30 Are Not Invalid for Indefiniteness.**

The only respect in which defendants now assert that the appealed claims are indefinite is in the failure of the appealed claims to state the precise extent of rounding of the longitudinal beads 14 on the cutting head of the patent in suit. The Brief of Cross-Appellees (p. 46) states: "The indefiniteness of these claims in describing the alleged invention by Jones comprises the fact that all of the claims call for the edges of the head to be round or to merge into the surfaces of the head."

If this is the only alleged indefiniteness relied upon by defendants to support the finding of the District Court, the finding must fail completely because *none of the claims on appeal* (except claim 1) *mentions either of such features!* Plaintiff does not contend that there was any novelty in simply rounding the longitudinal beads 14 of the cutting head, such feature being shown in the French patent to Gaiztarro [Tr. 547], which was one of the prior art references considered by the Patent Office in connection with the application for the patent in suit. Rounding of such longitudinal beads 14 was merely an old feature in the art, and the appealed claims do not depend upon this feature for their novelty.

It is therefore submitted that the cases cited by defendants (pp. 48-50) have no application to the facts in this case.

**Point 7. Claims 1, 11, 26, 27, 28, 29, and 30 Are Not Invalid for Lack of Invention.**

The District Court *did not* find that claims 1, 11, 26, 27, 28, 29 and 30 were invalid for lack of invention. Consequently, the burden is upon defendants to establish this alleged defense *beyond a reasonable doubt*. See: *Bianchi v. Barili*, 168 F. (2d) (Adv. Ops.) 793, at 795 (C. C. A. 9th, 1948). It is submitted that defendants have wholly failed to carry this burden, and that the claims clearly define inventions. The novel features of these claims are set forth in our Opening Brief of Cross-Appellant (pp. 19-21) and the invention of the patent in suit is discussed in our Appellee's Brief (pp. 3-10, 16-24) on file in defendants' appeal in this case, to which the Court is respectfully referred to save repetition of the facts, law, and argument.

The only new point raised by defendants is as to plaintiff's disclaimer filed on February 21, 1948. In filing this disclaimer plaintiff was merely being discreet in view of the rule of law enunciated by this Court in the case of *Otis Elevator Co. v. Pacific Finance Corp.*, 68 F. (2d) 664 (1934). By statute, it is specifically provided that no disclaimer shall affect any pending action, as follows:

"But no such disclaimer shall affect any action pending at the time of its being filed. . . ."

35 U. S. C. A., Sec. 65.

The law is plain that after a disclaimer the patent is to be construed and interpreted as though it had never included the portion disclaimed. See: *Dunbar v. Meyers*, 94 U. S. 187, 24 L. Ed. 34. And the parts retained are not affected by the disclaimer. See: *Payne Furnace & Supply Co. v. Williams-Wallace Co.*, 117 F. (2d) 823 (C. C. A. 9th, 1941). It is therefore submitted that plaintiff's disclaimer has no effect upon the remaining claims.

**Conclusion.**

It is respectfully submitted that the decision of this Court should be in plaintiff's favor on his cross-appeal.

Respectfully submitted,

HARRIS, KIECH, FOSTER & HARRIS,  
FORD W. HARRIS, JR.,

*Attorneys for Plaintiff-Cross-Appellant.*

No. 11854

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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SCHICK SERVICE, INC., and SCHICK, INC.,

*Appellants,*

*vs.*

RALPH E. JONES,

*Appellee,*

and

RALPH E. JONES,

*Appellant,*

*vs.*

SCHICK SERVICE, INC., and SCHICK, INC.,

*Appellees.*

---

Petition of Ralph E. Jones for Rehearing and  
Application for Stay of Issue of Mandate.

---

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**FILED**

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---

## PETITION OF RALPH E. JONES FOR REHEARING.

---

Your petitioner, Ralph E. Jones, appellee in the above-identified case hereby respectfully requests that Your Honors grant him a rehearing in the above case.

The sole ground upon which the rehearing is requested is that petitioner's counsel never considered that Your Honors would reverse the District Court finding of fact 20 on the ground that the invention defined in claims 22, 23, 31, and 32 were the result of the exercise of mere

**Application for Stay of Issue of Mandate.**

It is respectfully requested that if this petition for rehearing is denied, the issue of mandate be stayed until expiration of time allowed to petition the Supreme Court for a writ of certiorari which petition counsel certifies it has been instructed to prepare.

Dated at Los Angeles, California, this 13th day of April, 1949.

HARRIS, KIECH, FOSTER & HARRIS,  
By FORD W. HARRIS,

*Attorneys for Ralph E. Jones.*









